



**LG&E Energy LLC**  
220 West Main Street (402021)  
P O Box 32030  
Louisville, Kentucky 40232

RECEIVED

September 28, 2005

SEP 28 2005

PUBLIC SERVICE  
COMMISSION

Elizabeth O'Donnell  
Executive Director  
Public Service Commission of Kentucky  
211 Sower Boulevard  
Frankfort, Kentucky 40602

CASE 2005-00405

**Re: Application of Kentucky Utilities Company Regarding the Transfer of Any Real Property Associated with the Lock No. 7 Hydroelectric Project, Project No. 539 to Lock 7 Hydro Partners, LLC**

Dear Ms. O'Donnell:

Enclosed please find an original and ten (10) copies of Kentucky Utilities Company's Application in the above-referenced docket.

Should you have any questions concerning the enclosed, please do not hesitate to contact me at 502-627-4110.

Sincerely,

John Wolfram  
Manager, Regulatory Affairs

cc: David Brown Kinloch  
Larry Hicks



**COMMONWEALTH OF KENTUCKY**  
**BEFORE THE PUBLIC SERVICE COMMISSION**

RECEIVED

SEP 28 2005

PUBLIC SERVICE  
COMMISSION

**In the Matter of:**

**APPLICATION OF KENTUCKY UTILITIES COMPANY    )**  
**REGARDING THE TRANSFER OF ANY REAL            )**  
**PROPERTY ASSOCIATED WITH THE LOCK NO. 7        )** **CASE NO. 2005-00405**  
**HYDROELECTRIC PROJECT, PROJECT NO. 539 TO    )**  
**LOCK 7 HYDRO PARTNERS, LLC                        )**

**APPLICATION**

Kentucky Utilities Company (“KU” or “the Company”) hereby petitions the Kentucky Public Service Commission (“Commission”) to issue an Order regarding the transfer of any real property associated with the Lock No. 7 Hydroelectric Project, Project No. 539 (the “Project”) to Lock 7 Hydro Partners, LLC (“Lock 7 Partners”). This application is made pursuant to the Commission’s Order of June 11, 2002, in Case No. 2002-00029, *In the Matter of: Application of Louisville Gas and Electric Company and Kentucky Utilities Company for a Certificate of Public Convenience and Necessity for the Acquisition of Two Combustion Turbines* (“LG&E and KU shall seek Commission approval prior to entering into a sale or lease of any land located on any existing generation sites.”) KU notes that it is not purporting to own or sell or lease any land associated with the Project. KU obtained its interest in the Project from Kentucky Hydro Electric Company by a General Warranty Deed dated December 31, 1928, and such deed does not describe the conveyance of nor the source of title of land underlying the Project. KU is providing the Lock 7 Partners a quitclaim deed only. While KU believes that this transaction does not require Commission approval, the Company is filing this Application to provide the Commission with the opportunity to determine that Commission approval is not required for

transfer of title to the Project pursuant to the aforementioned Order, or alternatively, to approve the proposed transfer of land to the extent that the Commission believes such transfer is taking place. In support of this Application, KU respectfully states:

1. The full name and mailing address of the Applicant is: Kentucky Utilities Company c/o LG&E Energy LLC, Post Office Box 32010, 220 West Main Street, Louisville, Kentucky 40232. KU is a Kentucky corporation authorized to do business in the Commonwealth of Kentucky.

2. KU is a utility engaged in the electric business. KU generates and purchases electricity, and distributes and sells electricity at retail in the following counties in Central, Northern, Southeastern and Western Kentucky:

Adair	Edmonson	Jessamine	Ohio
Anderson	Estill	Knox	Oldham
Ballard	Fayette	Larue	Owen
Barren	Fleming	Laurel	Pendleton
Bath	Franklin	Lee	Pulaski
Bell	Fulton	Lincoln	Robertson
Bourbon	Gallatin	Livingston	Rocltcastle
Boyle	Gessard	Lyon	Rowan
Bracken	Grant	Madison	Russell
Rullitt	Grayson	Marion	Scott
Caldwell	Green	Mason	Shelby
Campbell	Hardin	McCracken	Spencer
Carlisle	Harlan	McCreary	Taylor
Cassoll	Harrison	McLean	Trimble
Casey	Hart	Mercer	Union
Christian	Henderson	Montgomery	Washington
Clark	Henry	Muhlenberg	Webster
Clay	Hickman	Nelson	Whitley
Crittenden	Hopltins	Nicholas	Woodford
Daviess			

3. A certified copy of KU's Articles of Incorporation, as amended, are on file with the Commission in Case No. 2001-104, *In the Matter of: Joint Application of E.ON AG,*

*Powergen plc, LG&E Energy Corp., Louisville Gas and Electric Company and Kentucky Utilities Company for Approval of an Acquisition.*

4. Copies of all orders, pleadings and other communications related to this proceeding should be directed to:

Elizabeth L. Cocariouger  
Senior Corporate Attorney  
LG&E Energy LLC  
220 West Main Street  
Louisville, Kentucky 40202  
(502) 627-4850

John Wolfram  
Manager, Regulatory Affairs  
Kentucky Utilities Company  
c/o LG&E Energy LLC  
220 West Main Street  
Louisville, Kentucky 40202  
(502) 627-4110

5. The 2.04-megawatt Project is located on the Kentucky River in Mercer County, Kentucky. It is situated at, and uses surplus water from, the U.S. Army Corps of Engineers' ("Corps") Kentucky River Lock and Dam No. 7. The Project has not generated electricity since 1999.

6. Lock 7 Partners is a limited liability company, organized under the laws of the Commonwealth of Kentucky, and authorized to conduct business in the Commonwealth of Kentucky. Lock 7 Partners is equally owned by Salt River Electric and Shaker Landing Hydro Associates, Inc. Salt River Electric is an electric cooperative and a member of East Kentucky Power Cooperative. Shaker Landing Hydro Associates is owned and operated by the three principal partners of Soft Energy Associates.

7. The proposed transfer of land is in the public interest, because Lock 7 Partners plans to renovate and reactivate the plant. The operation and licensure of this hydroelectric power plant is subject to the jurisdiction of the Federal Energy Regulatory Commission (“FERC”). On September 27, 2005, KU and Lock 7 Partners filed an Application with the FERC seeking their approval for the transfer of the operating license for the plant from KU to Lock 7 Partners. Lock 7 Partners plans to begin renovation work once the requisite approvals are acquired from FERC and the Commission, and once the license and title are transferred. A copy of the FERC Application and Exhibits are attached hereto as Attachment 1.

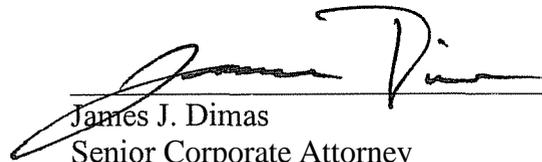
8. An Asset Purchase Agreement, dated as of September 26, 2005 (the “APA”), was executed by and among KU and Lock 7 Partners. The APA provides generally for the sale of the Assets of Lock No. 7 Project from KU to Lock 7 Partners. The entire transfer is de minimis in nature, totaling less than \$36,000.00, and does not meet any regulatory threshold that would require approval from this Commission. The APA and its attachments are included in the exhibits to the FERC application. KU obtained its interest in the Project from Kentucky Hydro Electric Company by a General Warranty Deed dated December 31, 1928, and such deed does not describe the conveyance of nor the source of title of land underlying the Project. A copy of such deed is contained on the disk attached hereto as Attachment 2. As such, KU is providing the Lock 7 Partners a Quitclaim Deed only in order to convey any and all interest KU may have in and to any real property.

**WHEREFORE**, Kentucky Utilities Company respectfully requests that the Public Service Commission issue an order, finding that Commission approval is not required for transfer of title to the Project. However, if the Commission determines that a transfer of land is involved in this transaction, Kentucky Utilities Company requests that the Public Service

Commission issue an order by December 1, 2005 approving the transfer of any real property associated with the Lock No. 7 Hydroelectric Project, Project No. 539, from KU to Lock 7 Hydro Partners, LLC.

Dated at Louisville, Kentucky, this 28~~th~~ day of September, 2005.

KENTUCKY UTILITIES COMPANY



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James J. Dimas  
Senior Corporate Attorney  
LG&E Energy LLC  
220 West Main Street  
Louisville, Kentucky 40202  
502/627-3712

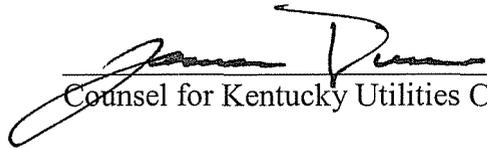
Elizabeth L. Cocanougher  
Senior Corporate Attorney  
LG&E Energy LLC  
220 West Main Street  
Louisville, Kentucky 40202  
(502) 627-4850

**CERTIFICATE OF SERVICE**

I hereby certify that a true copy of the foregoing was served via U. S. Mail, First-class, postage prepaid, this 28<sup>th</sup> day of September, 2005.

David Brown Kinloch  
President  
Shaker Landing Hydro Associates, Inc.  
414 South Wenzel Street  
Louisville, Kentucky 40204

Larry Hicks  
President/CEO  
Salt River Electric  
111 West Brashear Avenue  
Bardstown, Kentucky 40004

  
Counsel for Kentucky Utilities Company



**Attachment 1**

**FERC Application and Exhibits**

**BEFORE THE  
FEDERAL ENERGY REGULATORY COMMISSION**

**Kentucky Utilities Company**                    )  
  )  
                  **and**                                    ) **Project No. 539-**  
  )  
**Lock 7 Hydro Partners, LLC**                 )

**APPLICATION FOR APPROVAL OF TRANSFER OF LICENSE  
AND TO CHANGE NAME OF PROJECT**

Kentucky Utilities Company (“Transferor”), licensee under the license for the Lock No. 7 Hydroelectric Project, Project No. 539 (hereinafter referred to as the “Project”), issued by the Commission on May 26, 1992;<sup>1</sup> and Lock 7 Hydro Partners, LLC (hereinafter referred to as the “Transferee”), hereby jointly and severally apply for the written approval by the Federal Energy Regulatory Commission (“FERC”) of the transfer of the license from the Transferor to the Transferee and request that the instrument of such approval by the Commission be made effective as of the date of conveyance of the project properties. In addition, the Transferee requests that the name of the project be changed to the “Mother Ann Lee Hydroelectric Station.”

I. APPLICATION

The 2.04-megawatt Project No. 539 is located on the Kentucky River in Mercer County, Kentucky. It is situated at, and uses surplus water from, the U.S. Army *Corps of Engineers*’ (“Corps”) Kentucky River Lock and Dam No. 7. The Project has not generated electricity since 1999. The Transferor was seriously considering surrendering its license for the Project.\*

The proposed transfer is in the public interest, because the Transferee plans to renovate and reactivate the plant, with renovation work beginning as soon as FERC approval is obtained and the license and title are transferred. A copy of the proposed renovation and operation budgets is included as Exhibit I. The project will be internally financed by Lock 7 Hydro Partners, LLC, Salt River Electric, and Shaker Landing Hydro Associates. Further financing will result from revenues generated by the sale of power produced during the renovation. Salt River Electric and Shaker Landing Hydro Associates each own 50% of Lock 7 Hydro Partners, LLC. Salt River Electric is an electric cooperative and a member of East Kentucky Power Cooperative. Power produced by the project will be sold to Salt River Electric for resale to its members. No outside financing will be necessary to complete the renovation.

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<sup>1</sup> Kentucky Utilities Co., 59 FERC ¶ 62,186 (1992) (Order Issuing New License).

<sup>2</sup> See, e.g., Transferor’s filing of March 18, 2004, setting forth a proposed schedule for license surrender.

Renovation and operation of the Project will be undertaken by Shaker Landing Hydro Associates, Inc., which is owned and operated by the three principal partners of Soft Energy Associates. Financial statements for Salt River Electric are provided in Exhibit K. A description of the technical experience of Shaker Landing Hydro Associates, Inc. and its principals is provided in Exhibit L.

The Transferee is a limited liability company, organized under the laws of the Commonwealth of Kentucky, and authorized to conduct business in the Commonwealth of Kentucky. Certified copies of its Certificate of Formation and Certificate of Existence and Good Standing are being submitted herewith as Exhibits A and B respectively, said exhibits being incorporated herein and made a part hereof.

An Asset Purchase Agreement, dated as of 9/25/2005 (the "APA"), was executed by and among Kentucky Utilities Company and Lock 7 Hydro Partners, LLC. The APA provides generally for the sale of the Assets of Lock No. 7 Project ("Assets") from the Transferor to the Transferee. The APA and attachments are being submitted herewith as Exhibit C.

When the Commission shall have given its approval to the proposed transfer, and upon completion of conveyance of the project properties to the Transferee, the Transferor will deliver to the Transferee and the Transferee will accept and permanently retain all license instruments and all maps, plans, specifications, contracts, reports of engineers, accounts, books, records and all other papers and documents relating to the original project and to all additions thereto and betterments thereof. The Transferee will submit to the Commission certified copies of all instruments of conveyance whereby title to the Assets is conveyed to it, upon the completion of such conveyance.

The Transferor certifies that it has fully complied with the terms and conditions of its license as amended, and that it has fully satisfied and discharged all of its liabilities and obligations thereunder to the date hereof, and obligates itself to pay all annual charges accrued under the license to the date of transfer.

Contingent upon the final written approval by the Commission of the transfer of the license, the Transferee, as of the transfer effective date, accepts all the terms and conditions of the said license as amended, and the Federal Power Act as amended, and agrees to be bound thereby to the same extent as though it were the original licensee thereunder; no operating changes or changes to license conditions are being proposed.

Upon transfer of the license, the Transferee requests that the name of the project be changed from the "Lock 7 Plant" to the "Mother Ann Lee Hydroelectric Station." The Project sits adjacent to the Pleasant Hill Shaker community and on land once owned by the Shakers. The Transferee wishes to acknowledge the historical connections of this area to the Shakers and support the regional tourism by renaming the project for the founder of the Shakers, Mother Ann Lee. The last remaining Shaker community, at Sabbath Day Lake, Maine, has been consulted and supports this proposal (see Exhibit D).

## 11. RELATED MATTERS

The licensed project does not include Lock and Dam No. 7, since FERC does not have jurisdiction over federal facilities. However, at this time the Corps is in the process of transferring Lock and Dam No. 7 to the Kentucky River Authority (“KRA”), a non-federal entity. Upon completion of any such transfer, Article 402 of the Project license requires the licensee to “acquire all property or rights necessary to assure the continued operation of the hydroelectric project . . .”, notably Dam No. 7. In anticipation of this pending transfer of Dam No. 7, the Transferee is negotiating a lease agreement with the KRA that would provide it with the required property rights. The lease with the KRA will be consistent with the Commission’s policies with respect to a licensee’s property rights and authority over the licensed project works, see, e.g., *Linweave, Inc.*, 23 FERC ¶ 61,391 (1983). A copy of the draft lease is contained in Exhibit E to this filing. A copy of the signed final lease will be submitted to the Commission upon its completion. A letter explaining the position of the KRA and expressing support for the license transfer is contained in Exhibit F.

Article 403 of the Project license requires verification of the project’s run-of-river operation. To accomplish this, the Transferor implemented a plan to have a United States Geological Survey (USGS) gauging station installed in Pool 7. Since then, the KRA has worked with USGS to install similar gages on most of the other dams on the Kentucky River. The Transferee has worked with the KRA and USGS to have the Pool 7 gage placed under the KRA agreement with USGS for Kentucky River gages. As part of its lease agreement with the KRA (see Exhibit E), the Transferee will reimburse the KRA for all of its costs associated with the Pool 7 gage.

The Transferor currently obtains access to the Project via property owned by the Shaker Village at Pleasant Hill (Shakertown). The Transferee and Shakertown have negotiated an access agreement to be signed upon the FERC-approved License transfer effective date. A copy of this proposed final agreement is contained in Exhibit G and will be submitted to the Commission upon its completion. A Letter of Intent from Shakertown to sign the access agreement is contained in Exhibit H.

Strong stakeholder support exists for this transfer. The Transferor had begun the process of Surrender of this license in the Spring of 2004. During a Public Meeting and associated public comment period, the public stakeholders expressed strong support for the Lock 7 plant being renovated and put back into operation, as opposed to its decommissioning and removal. Copies of stakeholder correspondence received during this comment period, which overwhelmingly supports the transfer of the license and the renovation of the Lock 7 plant, are contained in Exhibit J.

The name, title, and post-office address of the person or persons to whom correspondence in regard to this application shall be addressed are as follows:

**For Kentucky Utilities Company**

John Wolfram, Manager  
Regulatory Affairs  
Kentucky Utilities Company  
C/o LG&E Services  
220 West Main Street  
Louisville, KY 40202  
Telephone: 502- 627-4110

Marty Reinert  
Regulatory Affairs  
Kentucky Utilities Company  
C/o LG&E Services  
220 West Main Street  
Louisville, KY 40202  
Telephone: 502- 627-4173

**For Lock 7 Hydro Partners, LLC**

David Brown Kinloch  
President  
Shaker Landing Hydro Associates, Inc.  
414 South Wenzel Street  
Louisville, KY 40204  
Telephone: 502- 589-0975

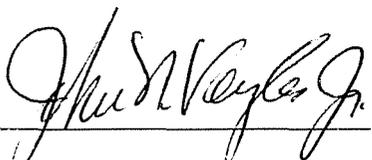
Larry Hicks  
President/CEO  
Salt River Electric  
111 West Brashear Avenue  
Bardstown, KY 40004  
Telephone: 502- 348-3931

In witness whereof the Transferor has caused its name to be hereunto signed by Paul W. Thompson, its Senior Vice President, Energy Services, and attested to by JOHN N. VOYLES, JR., its VICE PRESIDENT REGULATED GENERATION thereunto duly authorized this 26<sup>th</sup> day of September, 2005; and the Transferee has caused its name to be hereunto signed by David Brown Kinloch, its President/Chief Executive Officer, and attested to by DAVID COYTE, its MANAGER / MEMBER, thereunto duly authorized this 26<sup>th</sup> day of September, 2005.

Kentucky Utilities Company

By: 

Paul W. Thompson  
Senior Vice President  
Energy Services

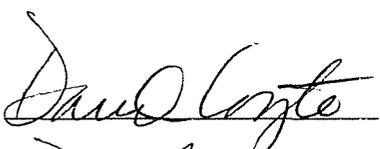
Attest:   
JOHN N. VOYLES

Title: VICE PRESIDENT REGULATED  
GENERATION

Lock 7 Hydro Partners, LLC

By: 

David Brown Kinloch  
President/Chief Operating Officer

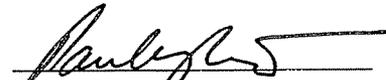
Attest:   
DAVID COYTE

Title: Manager / Member

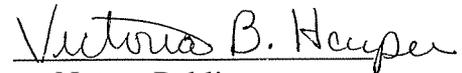
**VERIFICATION**

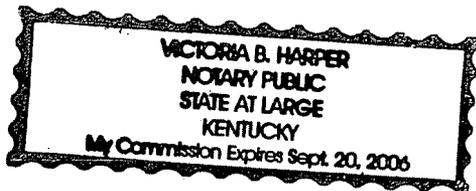
**Commonwealth of Kentucky  
County of Jefferson**

Paul W. Thompson, being duly sworn deposes and says: That he is the Senior Vice President, LG&E Energy Services Inc., on behalf of Kentucky Utilities Company, one of the applicants for approval of transfer of license; that he has read the foregoing application and knows the contents thereof; and that the same are true to the best of his knowledge and belief.

  
Paul W. Thompson  
Senior Vice President

Subscribed and sworn to before me, a notary public of the Commonwealth of Kentucky, this 26 day of Sept, 2005.

  
Notary Public



**VERIFICATION**

**Commonwealth of Kentucky  
County of Jefferson**

David Brown Kinloch, hereby affirms and says: That he is the President/Chief Operating Officer, Lock 7 Hydro Partners, LLC, one of the applicants for approval of transfer of license; that he has read the foregoing application and knows the contents thereof; and that the same are true to the best of his knowledge and belief.

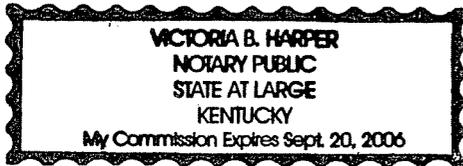


David Brown- Kinloch  
President/Chief Operating Officer

Subscribed and affirmed to before me, a notary public of the Commonwealth of Kentucky, this 26 day of Sept, 2005.



Notary Public





**Exhibit A**  
**Certificate of Formation**  
**Lock 7 Hydro Partners, LLC**

0607057.06 Dcornish  
LAOO

Trey Grayson  
Secretary of State  
Received and Filed  
02/25/2005 1:43:20 PM  
Fee Receipt: \$40.00

**ARTICLES OF ORGANIZATION  
FOR  
LOCK 7 HYDRO PARTNERS, LLC**

The undersigned person forms a Kentucky limited liability company pursuant to the Kentucky Limited Liability Company Act (the "**Act**"), KRS Chapter **275**, as follows:

1. The name of the limited liability company (the "Company") shall be **Lock 7 Hydro Partners, LLC**.

2. The street address of the Company's initial registered office shall be 414 South Wenzel ~~Street~~, Louisville, Kentucky **40204**. The name of the **Company's** initial registered agent at that office shall be David Brown Kinloch.

3. The mailing **address** of the initial principal office of the Company shall be 414 **South Wenzel Street**, Louisville, Kentucky **40204**.

4. The Company is to be **managed** by one or more managers.

5. The existence of the Company will be perpetual, except **as** provided in the Company's Operating Agreement.

David Brown Kinloch, as organizer



Signature of Organizer



**Exhibit B**  
**Certificate of Existence and Good Standing**  
**Lock 7 Hydro Partners, LLC**



**Trey Grayson  
Secretary of State**

**Certificate of Existence**

I, Trey Grayson, Secretary of State of the Commonwealth of Kentucky, do hereby certify that according to the records in the Office of the Secretary of State,

**LOCK 7HYDRO PARTNERS, LLC**

is a limited liability company duly organized and existing under KRS Chapter 275, whose date of organization is February 25, 2005.

I further certify that all fees and penalties owed to the Secretary of State have been paid; that articles of dissolution have not been filed; and that the most recent annual report required by KRS 275.190 has been delivered to the Secretary of State.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Official Seal at Frankfort, Kentucky, this 14th day of March, 2005.



*Trey*

Trey Grayson  
Secretary of State  
Commonwealth of Kentucky  
BWeber/0607057 - Certificate I D 11906



**Exhibit C**  
**Asset Purchase Agreement**

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**ASSET PURCHASE AGREEMENT**  
**BETWEEN**  
**LOCK 7 HYDRO PARTNERS, LLC**  
**AND**  
**KENTUCKY UTILITIES COMPANY**  
**SEPTEMBER 26, 2005**

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## ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT (this "Agreement") is entered into and effective as of September 26, 2005, between **LOCK 7 HYDRO PARTNERS, LLC** ("Buyer"), a Kentucky limited liability company, and **KENTUCKY UTILITIES COMPANY** ("Seller"), a Kentucky corporation.

### RECITALS:

**A.** Seller owns an electric generating facility known as Lock 7 located at River Mile No. 117 on the Kentucky River ("Lock 7").

**B.** Buyer desires to purchase from Seller, and Seller desires to sell to Buyer, the assets and properties comprising Lock 7, for the consideration and upon the other terms and conditions set forth in this Agreement.

### AGREEMENT:

NOW, THEREFORE, the parties hereby agree as follows:

**1. DEFINITION OF CERTAIN TERMS.** In addition to the terms defined in this Agreement, certain other terms used in this Agreement are defined in the Appendix of Defined Terms, and, when used herein, shall have the meaning set forth in the Appendix.

### **2. PURCHASE AND SALE OF ASSETS.**

**2.2 Purchase and Sale.** Upon the terms and subject to the conditions of this Agreement, at the Closing on the Closing Date, Seller shall sell, transfer, convey, assign and deliver to Buyer, and Buyer shall purchase and acquire from Seller all of Seller's right, title and interest in and to the following assets and properties comprising Lock 7 (the "Acquisition Assets"):

(a) A concrete structure about one hundred sixteen (116) feet long, with a thirty-six (36) foot long solid concrete section and an eighty (80) foot long hollow dam/spillway, containing trashracks, six (6) intake gates, three (3) turbines, and discharge facilities;

(b) A ninety-three (93) foot long, twenty-five (25) foot wide, and sixteen and one-half (16.5) foot high superstructure/powerhouse located above the spillway, supported by hollow concrete piers, with three (3) six hundred eighty (680) kilowatt generating units having a total capacity of two thousand forty (2,040) kW;

(c) A forebay about one hundred twenty (120) feet long and one hundred (100) feet wide;

- (d) A substation located on the west bank of the Kentucky River;
- (e) A foot bridge, about eighty-five (85) feet long, connecting the substation with the powerhouse;
- (f) A trash boom, about one hundred seventy (170) feet long;
- (g) A gantry crane located on top of the powerhouse;
- (h) Appurtenant facilities;
- (i) All documents, drawings, manuals, photos, software (but only to the extent assignable and directly related to Lock 7 and its operation);
- (j) Miscellaneous equipment, tools and spare parts; and
- (k) Federal Energy Regulatory Commission (“FERC”) license No. 539 issued to Seller (the “FERC License”).

**2.2 Assumed Liabilities.** To the extent necessary to give effect to the complete transfer of rights and obligations under the FERC License, Buyer shall deliver to Seller at the Closing an undertaking and assumption pursuant to which Buyer shall assume and agree to discharge Seller’s obligations under the FERC License (the “Assumed Liabilities”).

**2.3 Purchase Price.** The purchase price for the Acquisition Assets shall be \$35,965.08 (“Purchase Price”). The Purchase Price shall be paid by Buyer at the Closing by delivery of immediately available funds in the amount thereof.

**2.4 Allocation of Purchase Price.** The Purchase Price shall be allocated among the Acquisition Assets as specified in Attachment 1. After the Closing, the parties agree to make consistent use of the allocation for all Tax purposes and in any and all filings, declarations and reports with the IRS in respect thereof, it being understood that Buyer shall prepare and deliver IRS Form 8594 to Seller within 45 days after the Closing Date if such form is required to be filed with the IRS. In any Proceeding related to the determination of any Tax, no party hereto shall contend or represent that such allocation is not correct.

**3. CLOSING.** Consummation of the purchase and sale of the Acquisition Assets as contemplated in this Agreement (the “Closing”) shall take place at the offices of Seller’s counsel, Greenebaum Doll & McDonald PLLC, 3500 National City Tower, 101 South Fifth Street, Louisville, Kentucky 40202 at 10:00 a.m. (local time), or at such other place and time as the parties may mutually agree upon, on the “Closing Date,” which shall be the first business day following issuance of FERC’s order approving the transfer of the FERC License, or (b) such date as the parties may mutually agree upon. The Closing shall be effective as of the close of business on the last Business Day preceding the Closing Date (the “Effective Date”).

**4. REPRESENTATIONS AND WARRANTIES OF SELLER.** Seller hereby represents and warrants to Buyer as follows:

**4.1 Organizational Status.** Seller is a corporation duly incorporated, validly existing and in good standing under the laws of the Commonwealth of Kentucky. Seller has, and at all times has had, full corporate or other applicable power and authority to own and lease its properties as such properties are now owned and leased and to conduct its business as and where such business has and is now being conducted.

**4.2 Authority; Consents; Enforcement: Noncontravention.**

(a) **Authority.** Seller has the corporate power and authority to execute, deliver and perform this Agreement and all other agreements, certificates or documents contemplated hereby (“Seller Ancillary Documents”) and has taken all actions required to authorize, execute, deliver and perform this Agreement and the Seller Ancillary Documents, including approval by its board of directors.

(b) **Consents.** Except as set forth on Schedule 4.2(b), no consent, approval, action or authorization of any third party, including any Governmental Authorization or application to, or other notice or filing with, any Governmental Body, is required for the execution, delivery or performance of this Agreement or the Seller Ancillary Documents by Seller (“Seller’s Consents”).

(c) **Enforcement.** This Agreement and the Seller Ancillary Documents have been duly executed and delivered by Seller and constitute the legal, valid and binding obligations of Seller, enforceable in accordance with their terms.

(d) **Noncontravention.** Except as set forth on Schedule 4.2, the execution and delivery of this Agreement and the Seller Ancillary Documents by Seller does not violate any provision of the organizational documents of Seller and will not result in a breach or violation or default under any Order which Seller is subject or result in a breach by Seller under any material contract or obligation to which it is bound. Neither the execution and the delivery of this Agreement and the Seller Ancillary Documents, nor compliance with, or fulfillment of, the terms, conditions and provisions hereof or thereof, will (1) violate any Legal Requirement of Seller; (2) materially conflict with, result in a material breach of, constitute a material default under, any Contract or Order to which Seller is a party; (3) create in any party the right to accelerate, terminate, modify or cancel, any Contract to which Seller is a party; (4) accelerate any Liability of Seller; (5) result in the imposition of or creation of any Encumbrance upon or with respect to any of the Acquisition Assets; (6) require any notice under any Order to which Seller is a party or by which it is bound or to which any of its assets or properties are subject; or (7) require the approval, consent, authorization or act of, or the making by, Seller of any declaration, filing or registration with, any Person.

**4.3 Condition of Assets.** Set forth on Schedule 4.3 is a description of those repairs to the Acquisition Assets known to Seller to have been requested by FERC. Except for the foregoing sentences, Seller makes no representations and warranties concerning the condition or sufficiency of the Acquisition Assets, and which Acquisition Assets shall be purchased and sold “As-Is, Where Is,” without warranty.

**4.4 Real Property.** Schedule 4.4 lists and describes briefly all real property included in the Acquisition Assets. Notwithstanding the references to such real property in this Section 4.4 and Schedule 4.4, Seller makes no representations or warranties concerning title to such real property.

**5. REPRESENTATIONS AND WARRANTIES OF BUYER.** Buyer hereby represents and warrants to Seller as follows:

**5.1 Corporate Status.** Buyer is a limited liability company duly organized, validly existing and in good standing under the laws of the Commonwealth of Kentucky and is authorized to transact business therein. Buyer has, and at all times has had, full corporate or other applicable power and authority to own and lease its properties as such properties are now owned and leased and to conduct its business as and where such businesses have and are now being conducted.

**5.2 Authority; Consents; Enforcement; Noneontravention.**

**(a) Authority.** Buyer has the power and authority to execute, deliver and perform this Agreement and all other agreements, certificates or documents contemplated hereby to which it is a party (“Buyer Ancillary Documents”) and has taken all actions required to authorize, execute, deliver and perform this Agreement and the Buyer Ancillary Documents, including approval by the members of the Buyer.

**(b) Consents.** Except as set forth on Schedule 5.2(b), no consent, action, approval or authorization of or registration, declaration or filing with any Governmental Body, is required for the execution, delivery or performance of this Agreement or the Buyer Ancillary Documents by Buyer (“Buyer’s Consents”).

**(c) Enforcement.** This Agreement and the Buyer Ancillary Documents have been duly executed and delivered by Buyer and constitute the legal, valid and binding obligations of Buyer, as the case may be, enforceable in accordance with their terms.

**(d) Noncontravention.** The execution and delivery of this Agreement and the Buyer Ancillary Documents by Buyer does not violate any provision of the organizational documents of Buyer and will not result in a breach or violation or default under any Order of any court or governmental authority to which Buyer is subject or result in a breach by Buyer under any contract or obligation to which it is bound. Neither the execution and the delivery of this Agreement and the Buyer Ancillary Documents, nor the compliance with, or fulfillment of, the terms, conditions and provisions hereof or thereof, will (1) violate any Legal Requirement of Buyer or any provision of its organizational documents; (2) conflict with, result in a breach of, constitute a default under, any contract, agreement, lease, license, instrument or other arrangement or order to which Buyer is a party or is bound by; (3) result in the acceleration of, create in any party the right to accelerate, terminate, modify or cancel, or result in the imposition of or creation of any Encumbrance upon or with respect to any of the assets or properties owned or used by Buyer; (4) require any notice under any agreement, contract, lease, license, instrument or other arrangement to which Buyer is a party or by which it is bound or to which any of its assets or properties are subject; or (5) require the approval, consent,

authorization or act of, or the making by Buyer of, any declaration, filing or registration with, any Person.

**53** *No Agent or Broker.* No agent or broker or other Person acting pursuant to authority given by Buyer is entitled to any commission or finder's fee or other compensation, in connection with the transactions contemplated by this Agreement.

**6. CERTAIN COVENANTS OF THE PARTIES.**

**6.1** *Access and Investigation.* Between the date hereof and the Closing Date, Seller and its representatives will: (a) afford Buyer and its representatives reasonable access, upon the prior approval of Seller, to Seller's personnel, properties, contracts, books and records and other documents and data as they relate to the Acquisition Assets; and (b) furnish Buyer and Buyer's representatives with such additional information as Buyer may reasonably request.

**6.2** *Required Approvals.* As promptly as practicable after the date hereof, Seller and Buyer will make all filings required to be made by them under Legal Requirements in order to consummate the transactions contemplated herein (including the making of all filings necessary to effect a transfer to Buyer of the FERC License).

**6.3** *Interconnection, Transmission and Distribution.* Between the date hereof and the Closing, if requested by Buyer, Seller agrees to provide Buyer with reasonable assistance in identifying interconnection requirements necessary for Buyer to produce power at Lock 7 following the Closing as an independent power producer. Seller shall not be required to provide such assistance to the extent doing so would violate any Legal Requirement, including without limitation, Standards of Conduct promulgated by FERC. Promptly following the Closing, Buyer and Seller shall cooperate to facilitate Buyer's securing of any transmission service and/or distribution agreement(s) required for delivery of the energy produced by the Acquisition Assets to the Salt River Electric/KU border. The parties shall seek to secure such transmission service in the least cost manner to Buyer that such service is available under applicable tariffs and all applicable federal and state laws.

**6.4** *Employment of Seller's Employees.* Seller acknowledges that, following the Closing, Buyer may wish to retain the services, as independent contractors, of certain of Seller's employees and retirees, who are familiar with the Acquisition Assets and Lock 7, to assist in the operation of the Acquisition Assets. Seller hereby consents to such engagement, provided, however, that any such actions by the Seller's employees shall be performed on their own personal time and shall not otherwise interfere with the duties of such employees to Seller. Buyer acknowledges that in performing such services, if any, on behalf of Buyer, such employees and retirees of Seller shall not be acting as Seller's employees or agents or in any other capacity on behalf of Seller. Buyer further agrees to indemnify and hold harmless Seller from and against any and all claims, costs, damages and expenses of any nature whatsoever, including, without limitation, attorney's fees, with respect to any claims arising from the provision of such services to Buyer by Seller's employees and retirees, including, without limitation, any claims made by any of such employees or retirees for any reason whatsoever arising out of their services for Seller.

**6.5 Isolation Switch at Interconnection Point.** Both parties shall have access to the existing isolation switch, located on “Pole 1” just outside the Seller’s Highbridge Substation. The switch will normally be kept in a closed position. The Seller hereby has authority to open this switch at times of system emergency or if the Buyer’s generator is being operated in a manner that is adversely affecting the Seller’s electric system. The Buyer has authority to open to switch at anytime it desires to isolate its generator and associated interconnection line from the Seller’s electrical system, for any reason.

**6.6 Further Assurances.** Each of the parties agrees that it will at any time, and from time to time, after the Closing Date, upon the request and at the expense of the appropriate party, do, execute, acknowledge and deliver, or will cause to be done, executed, acknowledged and delivered, all such further acts, assignments, transfers, conveyances and such further acts, assignments, transfers, conveyances and assurances as may be required to complete the transactions Contemplated herein.

**7. CONDITIONS PRECEDENT TO BUYER’S OBLIGATION TO CLOSE.** Buyer’s obligation to consummate the transactions contemplated herein, and to take the actions required to be taken by Buyer, at the Closing, is subject to the satisfaction, at or prior to the Closing, of each of the following conditions (any of which may be waived by Buyer, in whole or in part, and each of which shall be deemed fully satisfied or waived upon the occurrence of the Closing):

**7.1 Accuracy of Representations.** All of the representations and warranties of Seller in this Agreement (considered collectively), and each of such representations and warranties (considered individually), must have been accurate in all material respects as of the date hereof, and must be accurate in all material respects as of the Closing Date as if made on the Closing Date.

**7.2 Seller’s Performance.** All of the covenants and obligations that Seller is required to perform or to comply with pursuant to this Agreement at or prior to the Closing (considered collectively), and each of these covenants and obligations (considered individually), must have been duly performed and complied with in all material respects.

**7.3 Buyer Consents.** Each of the Buyer Consents, including without limitation, final approval by FERC of the transfer of the FERC License, must have been obtained and must be in full force and effect.

**7.4 Other Documents.** Buyer must have received such other documents as it may reasonably request for the purposes of (a) evidencing the accuracy of any of the representations and warranties of Seller; (b) evidencing the performance by Seller of, or the compliance by Seller with, any covenant or obligation required to be performed or complied with by it; (c) evidencing the satisfaction of any condition referred to in this Section 7; or (d) otherwise facilitating the consummation or performance of any of the transactions contemplated herein.

**7.5 No Proceedings.** There must not have been commenced or Threatened against Buyer, or against any Person affiliated with Buyer, any Proceeding (a) involving any challenge to, or seeking damages or other relief in connection with, any of the transactions

contemplated herein, or (b) that may have the effect of preventing, delaying, making illegal, or otherwise interfering with any of the transactions Contemplated herein.

**7.6 Condition of Acquisition Assets.** Between the date hereof and the Closing, there shall not have occurred any material adverse change in the condition of the Acquisition Assets (including any material build-up of debris in the front of Lock 7).

**a. CONDITIONS PRECEDENT TO SELLER'S OBLIGATION TO CLOSE.** Seller's obligation to consummate the transactions contemplated herein and to take the other actions required to be taken by Seller at the Closing is subject to the satisfaction, at or prior to the Closing, of each of the following conditions (any of which may be waived by Seller, in whole or in part):

**8.1 Accuracy of Representations.** All of Buyer's representations and warranties in this Agreement (considered collectively), and each of these representations and warranties (considered individually), must have been accurate in all material respects as of the date hereof and must be accurate in all material respects as of the Closing Date as if made on the Closing Date.

**8.2 Buyer's Performance.** All of the covenants and obligations that Buyer is required to perform or to comply with pursuant to this Agreement at or prior to the Closing (considered collectively), and each of these covenants and obligations (considered individually), must have been performed and complied with in all material respects.

**8.3 Seller Consents.** Each of the Seller Consents, including without limitation, final approval by FERC of the transfer of the FERC License, must have been obtained and must be in full force and effect.

**8.4 No Proceedings.** There must not have been commenced or Threatened against Seller, or against any Person affiliated with Seller, any Proceeding (a) involving any challenge to, or seeking damages or other relief in connection with, any of the transactions contemplated herein; or (b) that may have the effect of preventing, delaying, making illegal or otherwise interfering with any of the transactions contemplated herein

## **9. TERMINATION.**

**9.1 Termination Events.** This Agreement, by notice given prior to or at the Closing, may be terminated:

(a) by either Buyer or Seller if a breach of any provision of this Agreement has been committed by the other party and such breach has not been waived;

(b) (1) by Buyer if any of the conditions in Section 7 has not been satisfied as of the Closing Date or if satisfaction of such a condition is or becomes impossible (other than through the failure of Buyer to comply with its obligations under this Agreement) and Buyer has not waived such condition on or before the Closing Date; or (2) by Seller, if any of the conditions in Section 8 has not been satisfied of the Closing Date or if satisfaction of such a condition is or becomes impossible (other than through the failure of Seller to comply with its

obligations under this Agreement) and Seller has not waived such condition on or before the Closing Date;

(c) by mutual consent of Buyer and Seller; or

(d) by either Buyer or Seller if the Closing has not occurred (other than through the failure of any party seeking to terminate this Agreement to comply fully with its obligations under this Agreement) on or before March 31, 2006, or such later date as the parties may agree upon.

**9.2 Effect of Termination.** Each party's right of termination under Section 9 is in addition to any other rights it may have under this Agreement or otherwise, and the exercise of a right of termination will not be an election of remedies. If this Agreement is terminated pursuant to Section 9.1, all further obligations of the parties under this Agreement will terminate; **provided that**, if this Agreement is terminated by a party because of the breach of the Agreement by the other party or because one or more of the conditions to the terminating party's obligations under this Agreement is not satisfied as a result of the other party's failure to comply with its obligations under this Agreement, the terminating party's right to pursue all legal remedies will survive such termination unimpaired.

## **10. DELIVERIES AND ACTIONS TO BE TAKEN AT CLOSING.**

**10.1 Deliveries by Seller.** At the Closing, Seller shall deliver to Buyer (duly executed where appropriate):

(a) **Seller's Authority Certificate.** A certificate from Seller in the form of Attachment 2, dated as of the Closing Date, certified by the Secretary of Seller, attached to which is one (1) copy of the resolutions of the board of directors of Seller approving this Agreement and the transactions contemplated hereby; and (2) an incumbency certificate of the Persons executing this Agreement or any other document delivered at the Closing on behalf of Seller.

(b) **Seller's Compliance Certificate.** A certificate in the form of Attachment 3 executed by an authorized officer of Seller certifying that (1)(A) the representations and warranties made by Seller in this Agreement that are qualified as to materiality are true, complete and accurate as of the date hereof and (B) the representations and warranties that are not so qualified are true, complete and accurate in all material respects as of the date hereof; and (2) Seller has performed and complied, in all material respects, with all agreements, obligations, covenants and conditions required by this Agreement to be so performed or complied with by Seller on or prior to the date hereof

(c) **Bill of Sale and Assignment.** A Bill of Sale and Assignment for the personal property included in the Acquisition Assets in the form of Attachment 4.

(d) **Real Property Deeds.** Quit Claim Deed in the form Attachment 5 conveying to Buyer real property acquired as part of the Acquisition Assets and all other documents required to convey such property to Buyer, including, but not limited to the Certification of Non-foreign Status of Seller as described in section 1445(b)(2) of the IRC.

(e) **Possession of Acquisition Assets.** Possession of all the Acquisition Assets, free of the possession of all third parties.

(f) **Seller Consents.** All Seller Consents.

**10.2 Deliveries by Buyer.** At the Closing, Buyer shall deliver to Seller :

(a) **Buyer's Authority Certificate.** A certificate from Buyer in the form of Attachment 6, dated as of the Closing Date, certified by the members of Buyer, attached to which are (1) a certified copy of the articles of organization of Buyer; (2) a copy of the Certificate of Existence of Buyer; (3) copies of the resolutions of the members of Buyer approving this Agreement and the transactions Contemplated thereby; and (4) an incumbency certificate of the Persons executing this Agreement or any other document delivered at the Closing on behalf of Buyer.

(b) **Buyer's Compliance Certificate.** A certificate in the form of Attachment 7 executed by a member of Buyer certifying that (1)(A) the representations and warranties made by Buyer in this Agreement that are qualified as to materiality are true, complete and accurate as of the date hereof and (B) the representations and warranties that are not so qualified are true, complete and accurate in all material respects as of the date hereof; and (2) Buyer has performed and complied, in all material respects, with all agreements, obligations, covenants and conditions required by this Agreement to be so performed or complied with by Buyer on or prior to the date hereof.

(c) **Purchase Price.** Payment of the Purchase Price.

(d) **Buyer Consents.** All Buyer Consents.

**10.3 Assumption Agreement.** To the extent necessary to give effect to the complete transfer of rights and obligations under the FERC License, Buyer and Seller, as the case may be, shall at the Closing execute and deliver the Assumption Agreement referred to in Section 2.2.

## **11. INDEMNIFICATION; REMEDIES.**

**11.1 Indemnification and Payment of Damages By Seller.** Seller shall indemnify and hold Buyer and its directors, officers, shareholders or managers, officers, members, Affiliates and successors and assigns ("Buyer Indemnitees") harmless from, and shall pay to the Buyer Indemnitees the amount of, all damages, costs and expenses, including attorney's fees, arising, directly or indirectly, from or in connection with:

(a) any breach of any representation or warranty made by Seller in this Agreement; and

(b) any breach by Seller of any covenant, agreement or obligation of Seller in this Agreement.

**11.2 Indemnification By Buyer.** Buyer shall indemnify and hold Seller and its directors, officers, shareholders, Affiliates, successors and assigns (“Seller Indemnitees”) harmless for, and will pay to the Seller Indemnitees the amount of, all damages, costs and expenses, including attorney’s fees, arising directly or indirectly from or in connection with:

(a) any breach of any representation or warranty made by Buyer in this Agreement; and

(b) any breach by Buyer of any covenant, agreement or obligation of Buyer in this Agreement.

**11.3 Indemnity Claims.**

(a) **Notification of Claims.** If any claim (“Claim”) is hereafter asserted by a **party** hereto as to which such party may be entitled to indemnification hereunder, such party (“Indemnitee”) shall, in writing, notify the party required by the terms of this Agreement to indemnify the Indemnitee (“Indemnifying Party”) thereof (“Claims Notice”) within **30** days after (1) receipt of Written notice of commencement of any third-party litigation against such Indemnitee; (2) receipt by such Indemnitee of Written notice of any third-party claim pursuant to an invoice, notice of claim or assessment against such Indemnitee; or (3) such Indemnitee becomes aware of the existence of any other event in respect of which indemnification may be sought from the Indemnifying Party. The Claims Notice shall describe the Claim and the specific facts and circumstances in reasonable detail, shall include a copy of the notice referred to in (1) and (2), above, and shall indicate the amount, if known, or an estimate, if possible, of damages that have been or may be incurred or suffered.

(b) **Defense of Third Party Claim by Indemnifying Party.** The Indemnifying Party may, at any time, elect to defend or compromise any Claim by a third **party** (“Third Party Claim”), at its own expense and in its sole discretion and by its own counsel, who shall be reasonably acceptable to the Indemnitee. The election by the Indemnifying Party to defend or compromise a claim shall constitute an avowal by the Indemnifying Party that the Indemnifying Party is obligated to indemnify the Indemnitee with respect to such claim. The Indemnitee may participate, at its own expense, in the defense of any Claim assumed by the Indemnifying Party. Without the approval of the Indemnitee, which approval shall not be unreasonably withheld or delayed, the Indemnifying Party shall not agree to any compromise of a Claim defended by the Indemnifying Party which would impose upon the Indemnitee injunctive or other equitable relief.

(c) **Assumption of Defense by Indemnitee.** Notwithstanding the foregoing, if an Indemnitee determines in good faith and reasonable judgment that there is a reasonable probability that a Proceeding may adversely and materially affect it or its Affiliates other than as a result of monetary damages for which it would be entitled to indemnification under this Agreement, the Indemnitee may, by notice to the Indemnifying Party, assume the exclusive right to defend, compromise **or** settle such Proceeding, but the Indemnifying Party will not be bound by any determination of a Proceeding so defended or any compromise or settlement effected without its prior written consent (which may not be unreasonably withheld or delayed).

**(d) Defense of Claim by Indemnitee.** If, within 30 days of the Indemnifying Party's receipt of a Claim Notice involving a Third Party Claim, the Indemnifying Party shall not have notified the Indemnitee of its election to assume the defense, the Indemnitee shall have the right to assume control of the defense or compromise of such Claim and the reasonable costs and expenses of such defense, including costs of investigation and reasonable attorneys' fees, shall be added to the Claim. If the Indemnitee assumes control of the defense or compromise of a Claim under this Section 11.3(d), the Indemnitee shall have the right to compromise such Claim without the consent of the Indemnifying Party.

**(e) Cooperation of Parties.** The party assuming the defense of any Claim shall keep the other party reasonably informed at all times of the progress and development of the party's defense of and compromise efforts with respect to such Claim and shall furnish the other party with copies of all relevant pleading, correspondence and other papers. In addition, the parties to this Agreement shall cooperate with each other and make available to each other and their representatives all available relevant records or other materials required by them for their use in defending, compromising or contesting any Claim. The failure to timely notify the Indemnifying Party of the commencement of such actions in accordance with Section 11.3(a) shall relieve the Indemnifying Party from the obligation to indemnify under Section 11.1 or 11.2, as the case may be, but only to the extent the Indemnifying Party establishes by competent evidence that it or he is or has been materially and adversely prejudiced thereby.

**11.4 Limitations on Indemnification by Seller.** Notwithstanding the provisions of Section 11.1 to the contrary, Seller's obligation to indemnify Buyer under this Section 11 shall not exceed an amount equal to the Purchase Price. Additionally, Seller shall be entitled to assert the defense to any Indemnity Claim that Buyer had actual knowledge of the facts giving rise to such Indemnity claim prior to the Closing Date. Seller shall bear the burden of proving Buyer's actual knowledge by clear and convincing evidence.

**11.5 Limitations on Indemnification by Buyer.** Notwithstanding the provisions of Section 11.2 to the contrary, Buyer's obligation to indemnify Seller under this Section 11 shall not exceed an amount equal to two (2) times the Purchase Price. Additionally, Buyer shall be entitled to assert any defense to any Indemnity Claim that Seller had actual knowledge of the facts giving rise to such Indemnity claim prior to the Closing Date. Buyer shall bear the burden of proving Seller's knowledge by clear and convincing evidence.

**11.6 Sole and Exclusive Remedy.** The indemnification provided under this Section 11 shall constitute the sole and exclusive remedy of Buyer and Seller subsequent to the Closing for any damages sustained by Buyer or Seller under this Agreement other than damages based upon fraud or fraudulent misrepresentation.

## 12. MISCELLANEOUS PROVISIONS.

### 12.1 *Arbitration.*

(a) If any dispute under this Agreement arises and the parties are unable to resolve such dispute, the unresolved matter shall be resolved by arbitration if a party requests arbitration by making a written demand for arbitration to the other parties. The arbitration proceedings shall be conducted in accordance with the CPR Rules for Non-Administered Arbitration of Business Disputes, or if the parties so agree, the relevant rules of another arbitration organization. In any case, regardless of any rules of the selected arbitration organization to the contrary, only one arbitrator shall be used to decide the outcome of the arbitration. Such arbitration shall be held in Louisville, Kentucky or if the parties agree upon another location, that other location. The arbitration shall be governed by the United States Arbitration Act, 9 U.S.C. §§1-16.

(b) The parties shall have the right of discovery in accordance with the Federal Rules of Civil Procedure except that discovery may commence immediately upon the service of the demand for arbitration. A party's unreasonable refusal to cooperate in discovery shall be deemed to be refusal to proceed with arbitration and, until an arbitrator has been designated, the parties may enforce their rights (including the right of discovery) in the courts. Such enforcement in the courts shall not constitute a waiver of a party's right to arbitration. Upon his or her appointment, the arbitrator shall have the power to enforce the parties' discovery rights.

(c) The parties shall be bound by the decision of the arbitrator and accept his or her decision as the final determination of the matter in dispute. The prevailing party shall be entitled to enter a judgment in any court upon any arbitration award made pursuant to this Section 12.1. The arbitrator or arbitrators shall award the costs and expenses of the arbitration, including reasonable attorneys' fees, disbursements, arbitration expenses, arbitrators' fees and the administrative fee of the arbitration organization, to the prevailing party as shall be determined by the arbitrator.

22.2 *Amendment; Waiver.* This Agreement, and the Attachments and Schedules hereto, may be amended, modified or superseded only by a written instrument signed by both of the parties to this Agreement. No party shall be deemed to have waived compliance by another party of any provision of this Agreement unless such waiver is contained in a written instrument signed by the waiving party and no waiver that may be given by a party will be applicable except in the specific instance for which it is given. The failure of either party to enforce at any time any of the provisions of this Agreement or to exercise any right or option contained in this Agreement or to require at any time performance of any of the provisions of this Agreement, by the other party shall not be construed to be a waiver of such provisions and shall not affect the validity of this Agreement or any of its provisions or the right of such party thereafter to enforce each provision of this Agreement. No course of dealing shall operate as a waiver or modification of any provision of this Agreement or otherwise prejudice such party's rights, powers and remedies.

**12.3 Agreement Non-Assignable; Binding Effect.** Prior to closing, no party shall assign any of its rights or obligations under this Agreement, whether by operation of law or otherwise, without obtaining the prior consent of the other parties to this Agreement. Subject to the foregoing, all of the provisions of this Agreement shall be binding upon and shall inure to the benefit of and be enforceable by the parties to this Agreement and their respective legal representatives, successors and assigns.

**12.4 Construction and Interpretation of Agreement.**

(a) Section titles or captions in this Agreement are included for purposes of convenience only and shall not be considered a part of this Agreement in construing or interpreting any of its provisions. All references in this Agreement to Sections shall refer to Sections of this Agreement unless the context clearly otherwise requires.

(b) When used in this Agreement, the word “including” shall have its normal common meaning and any list of items that may follow such word shall not be deemed to represent a complete list of the contents of the referent of the subject.

(c) The parties have participated jointly in the negotiation and drafting of this Agreement. If any ambiguity or question of intent or interpretation arises, no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any of the provisions of this Agreement.

(d) Unless the context otherwise requires, when used in this Agreement, the singular shall include the plural, the plural shall include the singular and all nouns, pronouns and any variations thereof shall be deemed to refer to the masculine, feminine or neuter, as the identity of the Person or Persons may require.

(e) The parties do not intend that this Agreement shall confer on any third party any right, remedy or benefit or that any third party shall have any right to enforce any provision of this Agreement.

**12.5 Counterparts.** This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original copy of this Agreement and all of which, when taken together, shall be deemed to constitute one and the same agreement.

**12.6 Entire Agreement.** This Agreement, together with the Attachments and Schedules hereto, embodies the entire agreement and understanding of the parties related to its subject matter and supersedes all prior proposals, understandings, agreements, correspondence, arrangements and contemporaneous oral agreements relating to subject matter of this Agreement. No representation, promise, inducement or statement of intention has been made by any party which has not been embodied in this Agreement.

**12.7 Attachments and Schedules.** All Attachments and Schedules to this Agreement, if any, shall constitute part of this Agreement and shall be deemed to be incorporated in this Agreement by reference and made a part of this Agreement as if set out in full at the point where first mentioned. The parties intend that each representation, warranty, covenant and obligation contained in this Agreement shall have independent significance. If any party has

breached any representation, warranty, covenant or obligation contained in this Agreement in any respect, merely because there exists another representation, warranty, covenant or obligation relating to the same subject matter (regardless of the relative levels of specificity) which the party has not breached shall not detract from or mitigate the party's breach of the first representation, warranty, covenant or obligation.

**12.8 Expenses.** Except as otherwise expressly provided for in this Agreement, each party will bear its own expenses incurred in connection with the preparation, execution and performance of its obligations under this Agreement, including all fees and expenses of agents, representatives, counsel and accountants.

**12.9 Further Assurances.** Each party shall execute and deliver such additional documents or take such additional actions as may be requested by the other party to this Agreement if such requested document or action is reasonably necessary to effect the transactions described in this Agreement.

**12.10 Governing Law.** This Agreement shall be governed by, and shall be construed and enforced in accordance with, the laws of the Commonwealth of Kentucky, without giving effect to any conflict of law rule or principle of such state.

**12.11 No Public Announcement.** No party shall make any press release or other public announcement regarding this Agreement or the transactions described in this Agreement without the express prior written consent of the other party, unless such party is obligated by law or the rules of any stock exchange upon which its shares are traded to make such a disclosure. When a party determines that it is obligated by law or the rules of a stock exchange to make such a disclosure, it shall notify the other party prior to such disclosure and both of the parties shall cooperate to cause a mutually agreeable release or announcement to be issued.

**12.12 No Third Party Beneficiaries.** This Agreement is not intended to, and shall not be construed to, confer upon any third Person any right, remedy or benefit nor is it intended to be enforceable by any third Person, and shall only be enforceable by the parties hereto, and their respective successors, permitted assigns, and personal representatives.

**12.13 Notices.** All notices, requests, consents, approvals, waivers, demands and other communications required or permitted to be given or made under this Agreement shall be in writing and shall be deemed delivered to the parties on the (a) date of personal delivery or confirmed transmission by facsimile transmission; (b) second Business Day following the date of delivery to a nationally recognized overnight courier service; or (c) third Business Day following the date of deposit in the United States Mail, postage prepaid, by certified mail, in each case, addressed as follows, or to such other address, Person or entity as either party may designate by notice to the other in accordance herewith:

If to Buyer:

Lock 7 Hydro Partners, LLC  
414 S. Wenzel Street  
Louisville, KY 40204  
Attention: David Brown Kinloch

With a copy to: Salt River Electric  
111 West Brashear Avenue  
Bardstown, KY 40004  
Attention: **Larry** Hicks

If to Seller: Kentucky Utilities Company  
One Quality Street  
Lexington, Kentucky 40507-1462  
Attention: John Malloy

With a copy to: Greenebaum Doll & McDonald PLLC  
3500 National City Tower  
Louisville, Kentucky 40202  
Attention: Patrick J. Welsh

**12.14 Recovery of Expenses by Prevailing Party.** The party prevailing in any civil action, arbitration or other Proceeding shall be entitled to recover from the nonprevailing party, in addition to any damages the prevailing party may have been awarded, all reasonable expenses that the prevailing party may have incurred in connection with such Proceeding, including accounting fees, attorneys' fees and expert witnesses' fees.

**12.15 Severability of Provisions.** If a court in any Proceeding holds any provision of this Agreement or its application to any Person or circumstance invalid, illegal or unenforceable, the remainder of this Agreement, or the application of such provision to Persons or circumstances other than those to which it was held to be invalid, illegal or unenforceable, shall not be affected and shall be valid, legal and enforceable to the fullest extent permitted by law, but only if and to the extent such enforcement would not materially and adversely frustrate the parties' essential objectives as expressed in this Agreement. Furthermore, in lieu of any **such** invalid or unenforceable term or provision, the parties intend that the court add to this Agreement a provision as similar in terms to such invalid or unenforceable provision as may be valid and enforceable, so **as** to effect the original intent of the parties to the greatest extent possible.

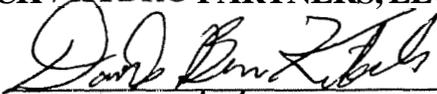
**12.16 Time & Essence.** Time is of the essence to the performance of the obligations set **forth** in this Agreement.

**12.17 Survival.** Any provision of this Agreement which by its nature is intended to survive the Closing shall survive the Closing including without limitation Articles 1, 2.4, 4, 5, 6.3, 6.4, 6.5, 6.6, **9.2**, 11, and 12. No reference in any Article to the survival of that Article shall be construed as implying that other Articles shall not survive.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF, the parties have entered into this Agreement as of the date first written above.

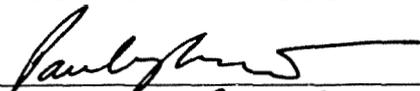
**LOCK 7 HYDRO PARTNERS, LLC**

By: 

Title: President / CEO

("Buyer")

**KENTUCKY UTILITIES COMPANY**

By: 

Title: Sr Vice President

("Seller")

## APPENDIX OF DEFINED TERMS

**“Acquisition Assets”** has the meaning set forth in Section 2.1.

**“Affiliate”** means (1) a Person that, directly or indirectly, through one or more intermediaries, controls or is controlled by, or is controlled by a Person that controls, such Person; (2) any trust or estate in which such Person has a beneficial interest or as to which such Person serves as a trustee or in another fiduciary capacity; or (3) any **spouse**, parent or lineal descendent of such Person. As used in this definition, “control” means possession, directly or indirectly, of the power to direct or cause the direction of management **or** policies, whether through ownership of securities, partnership or other ownership interests, by contract or otherwise.

**“Agreement”** means this Agreement, the Attachments and the Schedules.

**“Assumed Liabilities”** has the meaning set forth in Section 2.2.

**“Assumption Agreement”** has the meaning set forth in Section 2.2.

**“Business Day”** means a day of the year on which banks are not authorized to be closed in the City of New York.

**“Buyer”** has the meaning set forth in the preamble to this Agreement.

**“Buyer Ancillary Documents”** has the meaning set forth in Section 5.2(a).

**“Buyer Indemnitees”** has the meaning set forth in Section 11.1.

**“Buyer’s Consents”** has the meaning set forth in Section 5.2(b).

**“Claim”** has the meaning set forth in Section 11.3.

**“Claims Notice”** has the meaning set forth in Section 11.3(a).

**“Closing”** has the meaning set forth in Section 3.

**“Closing Date”** has the meaning set forth in Section 3.

**“Effective Date”** has the meaning set forth in Section 3.

**“Encumbrance”** means any charge, claim, community property, interest, condition, equitable interest, Lien, option, pledge, right of refusal, security interest or restriction **of any** kind, including any restriction on use, voting, transfer, receipt of income or exercise of any other attribute of ownership.

**“Governmental Body”** means any (1) nation, state, county, city, town, village, district or other jurisdiction of any nature; (2) federal, state, local, municipal, foreign or other governmental organization or body; (3) governmental or quasi-governmental authority of any nature (including any governmental agency, branch, department, official or entity and any court **or** other tribunal);

(4) multi-national organization or body; or (5) body exercising, or entitled to exercise, any administrative, executive, judicial, legislative, police, regulatory or taxing authority or power of any nature.

“**IRC**” means the Internal Revenue Code of 1986, as amended.

“**IRS**” means the Internal Revenue Service.

“**Legal Requirement**” means any applicable federal, state, local, municipal, foreign, international, multinational or other administrative Order, constitution, law, ordinance, principle of common law, regulation, statute or treaty, the failure to comply with which would have an adverse effect.

“**Liabilities**” means any claim, obligation, expense or cost whether fixed, contingent, matured, unmatured, known or unknown, accrued or unaccrued.

“**Lien**” means any lien, claim, Encumbrance, security interest, option, mortgage, mortgage note, deed of trust, easement, license, leasehold interest, right of way, title defect, charge, restriction or right of any third party of any kind upon any properties or assets in which Seller has an interest.

“**Order**” means any award, decision, injunction, judgment, unit, decree, subpoena or verdict entered, issued, as made or rendered by any court administration agency or other Governmental Body or by any arbitrator.

“**Person**” means any individual, corporation, partnership, firm, joint venture, association, joint-stock company, trust, unincorporated organization, governmental or regulatory body or other entity.

“**Proceeding**” means any action, arbitration, audit, hearing, investigation, litigation or suit (whether civil, criminal, administrative, investigative or informal) commenced, brought, conducted or heard by or before, or otherwise involving, a Governmental **Body** or arbitrator.

“**Purchase Price**” has the meaning set forth in Section 2.3.

“**Seller**” has the meaning set forth in the preamble to this Agreement.

“**Seller Ancillary Documents**” has the meaning set forth in Section 4.2(a).

“**Seller Indemnities**” has the meaning set forth in Section 11.2.

“**Seller's Consents**” has the meaning set forth in Section 4.2(b).

“**Tax**” means any taxes, however denominated, including income tax, capital gains tax, value-added tax, sales tax, property tax, gift tax, estate tax, capital stock, franchise, profits, withholding, social security (or similar), unemployment, disability, sales, use, transfer, registration, alternative or add-on minimum, estimated or other tax of any kind whatsoever and any related charge or amount (including any fine, penalty, interest or addition to tax), imposed,

assessed or collected by or under the authority of any Governmental Body or payable pursuant to any tax-sharing agreement or any other arrangement relating to the sharing or payment of any such tax, levy, assessment, tariff, duty, deficiency or fee, including any interest, penalty or addition thereto, whether disputed or not.

**“Threatened”** means any demand or statement made in writing or any notice given in writing asserting a claim, Proceeding, dispute, action or other matter.

**“Third Party Claim”** has the meaning set forth in Section 11.3(b).

## **ATTACHMENTS**

Attachment 1	Allocation of Purchase Price
Attachment 2	Seller's Authority Certificate
Attachment 3	Seller's Compliance Certificate
Attachment 4	Bill of Sale and Assignment
Attachment 5	Quit Claim Deed
Attachment 6	Buyer's Authority Certificate
Attachment 7	Buyer's Compliance Certificate

## **SCHEDULES**

Schedule 4.2(b)	Seller's Consents
Schedule 4.3	Repairs
Schedule 4.4	Real Property
Schedule 5.2(b)	Buyer Consents



**EXHIBIT C**  
**Attachment 1**

**Allocation of Purchase Price**

## Attachment 1

### Allocation of Purchase Price

The purchase price shall be allocated among the Acquisition as follows:

Real Property	\$ <u>(8,252.08)</u>
Equipment	\$ <u>25,101.61</u>
Miscellaneous Personal Property	\$ <u>19,115.55</u>
Total:	\$ <u>35,965.08</u>



**EXHIBIT C**  
**Attachment 2**

**Seller's Authority Certificate**

**Attachment 2**  
**Seller's Authority Certificate**

**(Attached on following page)**

**CERTIFICATE OF THE SECRETARY  
OF  
KENTUCKY UTILITIES COMPANY**

I, \_\_\_\_\_, hereby certify that:

(1) I am the duly elected, qualified and acting Secretary of Kentucky Utilities Company, a Kentucky corporation (**the** "Company").

(2) Attached hereto as Exhibit A is a true and complete copy of the resolutions adopted by the Board of Directors of the Company by unanimous consent effective as of \_\_\_\_\_

(3) Such resolutions have not been altered, amended or rescinded and are still in full force and effect on the date hereof.

(4) The following individuals are, on the date hereof, duly qualified and acting officers of the Company and are severally authorized to execute and deliver documents and to effect other transactions on behalf of the Company pursuant to or contemplated by the aforesaid resolutions and the signature set forth opposite each such officer's name is his or her true and genuine signature:

<u>Name</u>	<u>Office</u>	<u>Signature</u>
		_____
		_____

IN WITNESS WHEREOF, I have hereunto set my signature as of this \_\_\_\_ day of \_\_\_\_\_, 200\_\_.

\_\_\_\_\_  
, Secretary

The undersigned, the \_\_\_\_\_ of the Company, certifies that \_\_\_\_\_ is the Secretary of the Company and that the above signature is \_\_\_\_\_ genuine signature.

Executed this \_\_\_\_ day of \_\_\_\_\_, 200\_\_.

KENTUCKY UTILITIES COMPANY

\_\_\_\_\_  
, \_\_\_\_\_



**Exhibit C**  
**Attachment 3**

**Seller's Compliance Certificate**

**Attachment 3**

**SELLER'S COMPLIANCE CERTIFICATE**

**KENTUCKY UTILITIES COMPANY**

The undersigned, \_\_\_\_\_, hereby certifies that (a) \_\_\_ is the duly elected and acting \_\_\_\_\_ of Kentucky Utilities Company, a Kentucky corporation (the "Seller"); (b) all representations and warranties of Seller set forth in that certain Asset Purchase Agreement (the "Agreement"), dated \_\_\_\_\_, 2005, between Seller and Lock 7 Hydro Partners, LLC, a Kentucky limited liability company (the "Buyer") (i) that are qualified as to materiality, are true, complete and accurate as of the date hereof, and (ii) the representations and warranties that are not so qualified are true, complete and accurate in all material respects as of the date hereof; and (c) Seller has performed and complied, in all material respects, with all agreements, obligations, covenants and conditions required by the Agreement to be so performed or complied with by Seller on or prior to the date hereof.

**KENTUCKY UTILITIES COMPANY**

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_



**Exhibit C**  
**Attachment 4**

**Bill of Sale and Assignment**

## Attachment 4

### BILL OF SALE AND ASSIGNMENT

This **BILL OF SALE AND ASSIGNMENT** (“Bill of Sale”) is entered into and effective as of \_\_\_\_\_, 200\_\_, by and between **KENTUCKY UTILITIES COMPANY**, a Kentucky corporation (“Seller”), and **LOCK 7 HYDRO PARTNERS, LLC**, a Kentucky limited liability company (“Buyer”).

#### **RECITALS:**

**A.** Pursuant to an Asset Purchase Agreement dated \_\_\_\_\_, 2005, between Seller and Buyer, which is incorporated herein by reference (“Agreement”), Buyer has on this date purchased and acquired from Seller, and Seller has sold to Buyer, all of Seller’s Acquisition Assets.

**B.** In order that Buyer shall be in possession of an instrument vesting title to the Acquisition Assets in Buyer, the Agreement requires the execution and delivery of this Bill of Sale by Seller at the Closing under the Agreement.

#### **AGREEMENT:**

**Now, THEREFORE**, the parties hereby agree as follows:

**1. DEFINITIONS; CONSTRJCTION.** Capitalized terms not expressly defined in this Bill of Sale shall have the meaning ascribed to them in the Agreement, and all references to Exhibits and Schedules herein shall be deemed to be to those that are part of the Agreement. As used in this Bill of Sale, the word “including” does not limit the preceding words or terms, unless otherwise expressly provided. In the event of any conflict between any provisions of this Bill of Sale and the Agreement, the Agreement shall control.

**2. TRANSFER OF ASSETS.** Seller hereby sells, transfers, conveys, assigns and delivers unto Buyer, its successors and assigns, all of Seller’s right, title and interest under, in and to the Acquisition Assets, including the following:

(a) A concrete structure about one hundred sixteen (116) feet long, with a thirty-six (36) foot long solid concrete section and an eighty (80) foot long hollow dam/spillway, containing trashracks, six (6) intake gates, three (3) turbines, and discharge facilities;

(b) A ninety-three (93) foot long, twenty-five (25) foot wide, and sixteen and one-half (16.5) foot high superstructure/powerhouse located above the spillway, supported by hollow concrete piers, with three (3) six hundred eighty (680 kilowatt generating units having a total capacity of two thousand forty (2,040) kW;

(c) A forebay about one hundred twenty (120) feet long and one hundred (100) feet wide;

(d) A substation located on the west bank of the Kentucky River;

(e) A foot bridge, about eighty-five (85) feet long, connecting the substation with the powerhouse;

(f) A trash boom, about one hundred seventy (170) feet long;

(g) A gantry crane located on top of the powerhouse;

(h) Appurtenant facilities;

(i) All documents, drawings, manuals, photos, software (but only to the extent assignable and directly related to Lock 7 and its operations);

(j) Miscellaneous equipment, tools and spare parts; and

(k) Federal Energy Regulatory Commission ("FERC") license No. 539 issued to Seller.

**TO HAVE AND TO HOLD** the Acquisition Assets, unto Buyer, its successors and assigns, and for its and their own use, forever.



STATE OF \_\_\_\_\_ )  
 )SS:  
COUNTY OF \_\_\_\_\_ )

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 200\_\_, by \_\_\_\_\_ of Lock 7 Hydro Partners, LLC, a Kentucky limited liability company for and on behalf of said company.

My commission expires: \_\_\_\_\_

\_\_\_\_\_  
Notary Public

(Seal)



**Exhibit C**  
**Attachment 5**  
**Quitclaim Deed**





The foregoing instrument was prepared by,  
and after recording should be returned to:

---

Patrick J. Welsh, Esq.  
Greenebaum Doll & McDonald PLLC  
3500 National **City** Tower  
Louisville, Kentucky 40202  
(502) 589-4200



**Exhibit C**  
**Attachment 6**

**Buyer's Authority Certificate**

**Attachment 6  
Buyer's Authority Certificate**

**CERTIFICATE OF THE \_\_\_\_\_  
OF  
LOCK 7 HYDRO PARTNERS, LLC**

I, \_\_\_\_\_, hereby certify that:

(1) I am the duly elected, qualified and acting \_\_\_\_\_ of Lock 7 Hydro Partners, LLC, a Kentucky limited liability company (the "Company").

(2) Attached hereto as Exhibit A is a true and complete copy of the resolutions adopted by the Members and Managers of the Company effective as of \_\_\_\_\_, 200\_\_\_. Such resolutions have not been altered, amended or rescinded and are still in full force and effect on the date hereof.

(3) Attached hereto as Exhibit B is a certified copy of the Articles of Organization of Buyer;

(4) Attached hereto as Exhibit C is a copy of the Certificate of Existence of Buyer;

(5) The following individuals are, on the date hereof, duly qualified and acting managers of the Company and are severally authorized to execute and deliver documents and to effect other transactions on behalf of the Company pursuant to or contemplated by the aforesaid resolutions and the signature set forth opposite each such officer's name is his or her true and genuine signature:

Name

Signature

\_\_\_\_\_  
\_\_\_\_\_

IN WITNESS WHEREOF, I have hereunto set my signature as of this \_\_\_\_ day of \_\_\_\_\_, 200\_\_.

\_\_\_\_\_  
, \_\_\_\_\_

The undersigned, the \_\_\_\_\_ of the Company, certifies that \_\_\_\_\_ is the \_\_\_\_\_ of the Company and that the above signature is \_\_\_\_\_ genuine signature.

Executed this \_\_\_\_ day of \_\_\_\_\_, 200\_\_.

LOCK 7HYDRO PARTNERS, LLC

---

, \_\_\_\_\_



**Exhibit C**  
**Attachment 7**

**Buyer's Compliance Certificate**

**Attachment 7**

**BUYER'S COMPLIANCE CERTIFICATE**

**LOCK 7 HYDRO PARTNERS, LLC**

The undersigned, \_\_\_\_\_, hereby certifies that (a) \_\_\_ is the duly elected and acting \_\_\_\_\_ of Lock 7 Hydro Partners, LLC, a Kentucky limited liability company ("Buyer"); (b) all representations and warranties of Buyer set forth in that certain Asset Purchase Agreement (the "Agreement"), dated \_\_\_\_\_, 2005, between Buyer and Kentucky Utilities Company, a Kentucky corporation ("Seller") (i) that are qualified as to materiality, are true, complete and accurate as of the date hereof, and (ii) the representations and warranties that are not so qualified are true, complete and accurate in all material respects as of the date hereof; and (c) Buyer has performed and complied, in all material respects, with all agreements, obligations, covenants and conditions required by the Agreement to be so performed or complied with by Buyer on or prior to the date hereof.

**LOCK 7 HYDRO PARTNERS, LLC**

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_





## **SCHEDULE 4.2(b)**

### **Seller's Consents**

1. The consent of FERC to the Assignment of the FERC License by Seller to Buyer.
2. The consent of the Kentucky Public Service Commission to the disposition of the Acquisition Assets by Seller unless the Kentucky Public Service Commission determines that such consent is not required.



## **SCHEDULE 4.3**

### **Repairs**

The referenced repairs are described in the letter attached on the following two pages.



**FEDERAL, ENERGY REGULATORY COMMISSION**  
**Office of Energy Projects**  
**Division of Dam Safety and Inspections - Chicago Regional Office**  
**230 South Dearborn Street, Suite 3130**  
**Chicago, Illinois 60604**  
**(312) 353-6171 Office - (312) 353-0109 Facsimile**

In reply refer to: P-539  
(NATDAM No. KY030 19)

December 18, 2002

**Mr. Howard Bush**  
Manager - Regulatory Compliance, Rates & Regulatory Department  
Louisville **Gas and Electric Company**  
**220 West Main Street, P.O.Box 32030**  
Louisville, **KY 40232**

**Re: Final findings from 2002 Operation Inspection Schedule**

**Dear Mr. Bush:**

**This refers to the operation inspection of your Lock No. 7 Project, No. 539 that was conducted on Tuesday, August 13, 2002. In a letter dated September 5, 2002, we provided our preliminary findings following the inspection. We have now completed the report and have no new items to add to the previous list. As discussed during our inspection, our findings were as follows:**

- 1. The overhead crane is corroding and needs to be painted. The hoist cables were also corroded and should be inspected and replaced if necessary.**
- 2. Significant debris was present in the intake area, which should be removed.**
- 3. You should continue to monitor the left abutment and place grout bags if leakage increases.**
- 4. The generator/turbines appeared to be poorly maintained. There has not been any power generation for close to two years. The plant should be brought back on-line or decommissioned.**

**Items 1-3 are to be completed as part of your routine maintenance. A plan and schedule for addressing Item 4 was to be filed within 60 days of the date of our September 5, 2002 letter, which was subsequently filed on November 4, 2002. You indicated that a final decision regarding the status of your license will be determined no later than the second quarter of 2003. No further submittals are required at this time; however, please notify us of your final decision.**

As you know, option inspection reports previously were available in the Commission's public files. These are not normal times, however. The document is now subject to the Commission's Statement of Policy on Treatment of Previously Public Documents (Policy Statement) in Docket No. PL02-1-000, issued on October 11, 2001, 97 FERC 61,030. Accordingly, the document would only be available to the public, if at all, through the Freedom of Information Act (FOIA) procedures.

Kentucky Utilities Company is a unique member of the public to which the Policy Statement was not intended to apply. Kentucky Utilities Company is the licensee of the Lock and Dam No. 7 Hydroelectric Project. As a company whose facilities are intended to be protected from terrorist attacks by the Policy Statement, one can fairly assume that Kentucky Utilities Company will treat any sensitive information contained in the documents in the same way that the Commission would. Therefore, Kentucky Utilities Company may receive the document outside the FOIA process, upon request.

You will need to submit a request in writing for a copy of the inspection reports, either via regular mail or by Email to [kevin.richards@ferc.gov](mailto:kevin.richards@ferc.gov). Please contact Kevin Richards at (312) 353-3769 if you have any questions regarding the inspection findings.

Sincerely,

  
Peggy A. Harding, P.E.  
Peggy A. Harding  
Regional Engineer



## **SCHEDULE 4.4**

### **Real Property**

The hydroelectric plant located at Dam No. 7 in the Kentucky River in Mercer County, Kentucky, together with all rights-of-way, structures, buildings, property rights, privileges and easements directly comprising such hydroelectric plant; but excluding any distribution systems and transmissions lines related thereto.

Notwithstanding the references to such real property in Section **4.4** and this Schedule **4.4**, Seller makes no representations or warranties concerning title to such real property.



## **SCHEDULE 5.2(b)**

### **Buyer's Consents**

1. Consent of FERC to the Assignment by Buyer of the FERC License.
2. The consent of the Kentucky Public Service Commission to the disposition of the Acquisition Assets by Seller unless the Kentucky Public Service Commission determines that such consent is not required.



**Exhibit D**  
**Shaker Society Letter of Support**

# THE SHAKER SOCIETY

707 Shaker Road - New Gloucester, ME 04260

telephone - (207) 926-4865

fax - (207) 926-3559

Chosen Land  
10 April 2004

David Brown Kinloch  
Soft Energy Associates  
414 South Wenzel Street  
Louisville, KY 40204

Dear Friend:

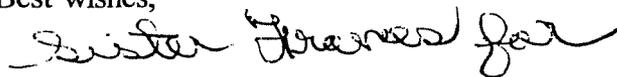
Thank-you so much for your letter. It is indeed kind of you to ask for our input and believe it or not it is something that virtually never happens to us.

It seems to us that it is appropriate to name the station after something Shaker related given its location and history and what could be more appropriate then to name it after our founder Mother **Ann?** So you do indeed have our approval. Please keep us updated **as** we are truly interested in this project.

We would also take this opportunity to invite you to return to Sabbathday Lake whenever you might find yourself in Maine again.

Good luck with your project!

Best wishes,

A handwritten signature in cursive script that reads "Sister Frances Jod".

The Sabbathday Lake Shakers



**Exhibit E**  
**KRA Draft Lease Agreement**

LEASWSUBLEASE AGREEMENT BETWEEN  
THE KENTUCKY RIVER AUTHORITY AND  
[NEW OWNER]

THIS LEASE/SUBELASE AGREEMENT entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2005, by and between the Kentucky River Authority (hereinafter called Lessor), and the [New Owner] (hereinafter called the Lessee), a Company created under the laws of the Commonwealth of Kentucky,

WITNESSETH THAT:

WHEREAS, the Kentucky River Authority by authority of the Revised Statutes of Kentucky has undertaken the administration, management and use of certain lands situated in Mercer and Jessamine Counties, Kentucky, currently belonging to the U.S. Army Corps of Engineers and leased to Lessor, and with ownership to be transferred to the Lessor in the near future, known as the Kentucky River Lock and Dam No.7, and

WHEREAS, the Lessee was formed under the laws of the Commonwealth of Kentucky to engage in the generation of hydroelectric power and other lawful purposes, and

WHEREAS, the Lessee wishes to use the Lessor's property for purposes of generating hydroelectric power and desires to rehabilitate, maintain and operate a small hydroelectric power project upon, under, over and across a portion of said land, and desires to obtain all rights to use all properties necessary to adequately conduct the responsibilities required in a Federal Energy Regulatory Commission (FERC) Hydropower License, and

WHEREAS, by and in the authority vested in him under **KRS 151.720(3)** of the Revised Statutes of Kentucky, the Director of the Kentucky River Authority has the authority to enter into contractual arrangements for the accomplishment of the purposes of the Kentucky River Authority, including development and use of the natural resources of the Lessor, and

WHEREAS, the Director of the Kentucky River Authority has determined that the rehabilitation, maintenance and operation of said small hydroelectric power project on said land is in the public interest, insofar as it does not interfere with navigation or cause adverse environmental impacts, deems the giving of this Lease Agreement advantageous to the Lessor.

NOW THEREFORE, in consideration of the promises and covenants herein contained, upon the terms and subject to the conditions hereinafter set forth, and subject to the laws of the Commonwealth of Kentucky and all other applicable local and federal orders, rules and regulations of the departments, divisions and agencies thereof, the parties do mutually agree as follows:

## ARTICLE I. SCOPE

In consideration of the payments made to the Lessor by the Lessee, as hereinafter provided, and the provisions hereinafter set forth, the Lessee shall have the right to use the Lessor's water retention properties and shall have the right and privilege to rehabilitate, maintain and operate a small hydroelectric power project on the following described premises and attached exhibit, hereinafter called the "premises":

Being part of three parcels, labeled as Parcels A, B and C. Parcels A and C situate in the Commonwealth of Kentucky, County of Jessamine, on the right descending bank of the Kentucky River, at river mile 117.0, being Parcels A and C as acquired by the United States of America for Kentucky River Lock and Dam No. 7, with bearings being referenced to a plat of survey by John G. Home, drawing number 77-L07, dated 01 June 1977, and contains approximately 10.83 acres. Parcel A being the same lands as that acquired by the United States of America as follows: Acquired from High Bridge Lumber Company in Civil Action No. 4918 in the United States District Court for the Eastern District of Kentucky, recorded in Commissioner's Book 5, Page 491, in the records of Jessamine County, Kentucky. Parcel C being the same lands as that acquired by the United States of America as follows: Acquired from High Bridge Lumber Company in Civil Action No. 5172 in the United States District Court for the Eastern District of Kentucky, recorded in Commissioner's Book 5, Page 482, in the records of Jessamine County, Kentucky. Parcel B situate in the Commonwealth of Kentucky, County of Mercer, on the left descending bank of the Kentucky River, at river mile 117.0, being Parcel B of Kentucky River Lock and Dam No 7, with bearings being referenced to a plat of survey by John G. Home, drawing number 77-L07, dated 01 June 1977, and contains approximately 8.49 acres. Parcel B being the same lands as that acquired by the United States of America as follows: By deed from the United Society of Shakers in Kentucky, dated 19 September 1895, recorded in Deed Book 63, Page 527; and a deed from the United Society of Shakers in Kentucky, dated 02 April 1898, recorded in Deed Book 66, Page I 12, all in the records of Mercer County, Kentucky. (see Exhibit "A" attached).

Section 1: It is herein stipulated that the Lessee has inspected and knows the condition of the premises and the Lessee understands the same is hereby leased without ally representation or warranty by the Lessor whatsoever, and without obligation on part of the Lessor to make any alterations, improvements, repairs or additions thereto, save and except those stated in this Lease Agreement.

Section 2: The Lessor covenants that:

- a. it has full right and lawful authority to enter into this Lease Agreement for the term set forth and for any renewal or extensions thereof, not to exceed seventeen (17) years; and

b. all legal requirements for the execution hereof have been complied with; and

Section 3: The Lessor further covenants that if the Lessee shall discharge the obligations set forth to be performed by it, then the Lessee shall have and enjoy, during the term, and any extension thereof, the quiet and undisturbed possession of the premises and uses herein described.

Section 4: The Lessee, by virtue of this Lease Agreement, shall have the right to rehabilitate and construct at its own expense all facilities necessary for production of hydroelectric power and to make use of such area within the boundaries of the premises, as may be necessary, in rehabilitating, constructing, maintaining and operating a small hydroelectric power project. The use of the premises shall include the right to dock rehabilitation and maintenance boats at the lock chamber and parking rehabilitation and maintenance equipment on the Lessor's property adjacent to the lock chamber. The Lessee will notify the Lessor and get specific permission before specific boats or other equipment are brought to and parked on the premise. The Lessor also agrees to consider, and if reasonable, give permission to make any other modifications or construction of facilities, on the Lessor's property, necessary to operate the Lessee's hydroelectric facility.

## ARTICLE II. NATURE OF AGREEMENT

At the time this agreement is entered into, the Kentucky River Lock and Dam No. 7 is owned by the U.S. Army Corps of Engineers and leased to the Kentucky River Authority, the Lessor. The Lessor plans to take possession of the property at some time in the near future, during the term of this agreement. Before this transfer of ownership takes place, the Lessor leases the property and has the authority to sublease the property necessary for the Lessee to rehabilitate and operate its hydroelectric plant. During the period before the transfer of the property to the Lessor, this agreement will serve as a sublease between the Lessor and the Lessee. At the point when ownership of the Dam No. 7 property is transferred to the Lessor, this agreement will automatically be transformed from a sublease to a lease between the Lessor and Lessee, and will remain in effect for the duration of the term of this agreement. No additional actions by the Lessor or Lessee are necessary for this agreement to be automatically transformed from a sublease to a lease, at the time of ownership transfer to the Lessor.

## ARTICLE III. TERM

This Lease Agreement shall be in force and effect for a term of seventeen (17) years, beginning on the 1st day May 2005 and ending on the 30th day of April 2022, which will run concurrently with the Lessee's FERC Hydropower License, unless sooner terminated or later extended by terms contained herein.

Section 1: It is further agreed by and between the parties that this Lease shall be deemed automatically renewed to a term identical with the terms of the FERC license at such time **as** the FERC License is renewed; upon the condition that the rent shall be paid annually **as** herein stated.

Section 2: It is further provided the Lessor has the right to deny extension of the option to the Lessee in the event that:

- a. all rents, adjusted costs and all other payments arising out of the occupancy of the premises or the operation of a small hydroelectric power project are not fully paid; or
- b. all covenants, agreements, provisions, terms and conditions of this Lease Agreement on the part of the Lessee to be performed, kept and observed have not been fully performed, kept and observed, or
- c. all applicable state, federal and local laws, rules and regulations have not been met with substantial compliance.

#### ARTICLE IV. RENT

- a) The Lessee shall pay to the Lessor a rent based on the Federal Energy Regulatory Commission Federal Facility use fee of \$1.00 per Megawatt-hour of power produced. This fee rate shall be adjusted annually after the first year of the lease. The amount of the annual adjustment will be in accordance with the Kentucky Department of Local Government calculations, which are provided by the second Friday in February of each year. These calculations are based on the Consumer Price Index maintained and reported by the U .S. Department of Labor, Bureau of Labor Statistics. The Lessee agrees to keeps records of electric production, which will be supplied to the Lessor upon request.
- b) The Lessee shall also reimburse the Lessor for its entire portion of the cost associated with the USGS gaging station on Pool 7 (USGS 03286500 – Kentucky River at Lock 7 at High Bridge, Kentucky).
- c) The Lessee agrees to pay the Lessor rent payments based on this fee structure within 30 days of being sent an invoice. The Lessee also agrees to reimburse the Lessor for its portion of the costs of the Pool 7 gage within 30 days of being sent an invoice. Rent and gage reimbursements shall be made payable to the Kentucky River Authority and be sent to:

Kentucky River Authority  
70 Wilkinson Boulevard  
Frankfort, KY 40601

## ARTICLE V. COOPERATION.

Within the scope of their respective obligations hereunder, the Lessor and the Lessee shall cooperate to the extent necessary that the Lessee's private interests remain subordinate to the public right of navigation; and that appropriate measures are taken to assure environmental protection and to achieve the purposes of this Lease Agreement. Such cooperation shall include but not be limited to:

Section 1: Keeping the other party reasonably informed as to the achievement of the purposes of this Lease Agreement;

Section 2: The timely performance of the parties' obligations under this Lease Agreement;

Section 3: The Lessor's reasonable cooperation with the Lessee in obtaining any approvals or permits necessitated by this Lease Agreement or as is required by federal, state and local law. Any approval of the Lessor required by this Lease Agreement shall not be unreasonably withheld and shall be given within a reasonable time following the submission of the matter requiring approval;

Section 4: Whatever measures are necessary to avert serious harm to human life and property in the event of unforeseen circumstances of an emergency nature;

Section 5: The Lessee shall reimburse the Lessor for expenses incurred by the Lessor for the benefit of the Lessee that are beyond services reasonably provided. Such expenses will only apply to the hydroelectric power system and its related infrastructure.

## ARTICLE VI. RIGHT OF ENTRY, INSPECTION AND PROTECTION OF PROPERTY

The Lessor, its officers, agents and employees shall have the right to enter upon the premises and structures thereon for any purposes necessary or convenient in connection with property management, lock and dam safety inspections, lock and dam maintenance activities, or any other governmental activity, and the Lessee shall have no claim for damages on account thereof against the Lessor, any officer, agency or employee thereof

Section 1: It is further agreed that the Lessor shall not be liable to the Lessee for losses resulting from entry onto the premises or interference with operations of the small hydroelectric power project as a consequence of the Lessor's inspection, repair and maintenance.

Section 2: In cases where it is determined that the hydroelectric power system is negatively impacting the dam, the Lessee shall be responsible for making the necessary repairs or modifications in a timely manner as required, in writing, by the Lessor.

## ARTICLE VII. CONDITION OF PREMISES

Section 1: The Lessee shall be held liable for all damages caused by its rehabilitation activities to the Lessor, including but not limited to the lock and dam, the gates and gate lifting mechanisms, concrete abutments, and utility lines. Liability shall include all labor, materials and equipment costs involved in repair.

Section 2: The Lessee shall keep the site free from trash, litter and waste material and shall maintain the same in a neat and orderly condition throughout the period of rehabilitation.

Section 3: When the rehabilitation is completed, any and all damages to the premises caused by the Lessee's construction shall be promptly repaired.

Section 4: Within six months after the rehabilitation of the project has been completed, the Lessee shall remove any temporary structures from the premises not necessary to the operation of the hydroelectric power project.

~~Section 5:~~ The Lessee shall maintain the premises in a neat and orderly manner and conduct its activities to avoid creating a public nuisance or an unreasonable risk to the health, safety and welfare of the general public.

## ARTICLE VIII. TRANSFER OF LEASE

The Lessee may only transfer the Lease to another party in conjunction with the sale of the plant and associated transfer of the projects FERC License to the new party. Before such transaction takes place, the Lessee will consult with the Lessor with respect to the terms and conditions of the transaction. The Lessee shall have the right to transfer this lease, but only if it is in conjunction with the transfer of projects FERC Hydropower License, and only after the License transfer has been approved by the Federal Energy Regulatory Commission in a process that provides for public comment.

## ARTICLE IX HISTORIC NOMINATIONS

Neither party to this agreement shall nominate the Lock 7 hydroelectric plant or associated dam and lock for inclusion on the National Register of Historic Places, or any other historic designation, without the written permission of the other party.

## ARTICLE X. INDEMNIFICATION AND INSURANCE

Section 1: All activities by the Lessee under this Lease Agreement shall be conducted solely at its own risk. The Lessee shall take proper safeguards to prevent any and all injury or damage to property of the Lessor, to the public and to any other property, material or thing, and the Lessee alone shall be responsible for any damage or injury occurring on or about the premises or resulting from its operations under this Lease Agreement. The Lessee shall assume, pay and at all times indemnify, protect and save harmless the Lessor, its officers, agents and employees from and against any and all claims, actions, damages, liability and expense in connection with loss of life, personal injury or damage to property arising from or out of any occurrence in, upon or at the premises under this Lease agreement, in connection with its operation or occasioned, wholly or in part, by any act or omission of the Lessee, its agents, contractors, employees or servants. In case the Lessor shall, without fault on its **part**, be made a party to any litigation commenced by or against the Lessee, then the Lessee shall protect and hold the Lessor harmless and shall pay all costs and expenses incurred or paid by the Lessor in connection with such litigation. The Lessee shall also pay all costs and expenses that may be incurred or paid by the Lessor in enforcing the covenants and provisions of this Lease Agreement.

Section 2: The Lessee shall, at all times during the original and second term of this Lease Agreement, maintain or cause to be maintained, in full force and effect, a comprehensive general public liability insurance with a financially responsible company or companies, covering the premises or any of the operations thereon with a combined single limit of One Million Dollars (\$1,000,000.00). The Lessor shall be named as an additional insured on such policy or policies. The Lessee shall provide to the Lessor ninety (90) days advance notice of cancellation of such insurance coverage.

Section 3: The Lessee shall also carry vehicle insurance with a combined single limit of One Million Dollars (\$1,000,000.00), or for bodily injury Two Hundred Fifty Thousand Dollars (\$250,000.00) per person per occurrence and for property damage One Hundred Thousand Dollars (\$100,000.00) per occurrence.

Section 4: The aforementioned insurance requirements are only minimum suggested limits and the Lessee may obtain higher levels of insurance, as it deems necessary.

Section 5: Such insurance may be carried under a blanket policy or policies covering other liabilities and locations of the Lessee, or a subsidiary, successors, affiliate or

controlling corporation of the Lessee. The Lessee shall furnish to the Lessor a memorandum copy of the insurance policy for the coverage required in this Article. All instruments purchased by the Lessee to satisfy the insurance requirements stated hereinabove shall carry the requirement that the Lessor will be notified in writing, ninety (90) days prior to the cancellation of any or all coverages for any reason.

#### ARTICLE XI. TAXES AND ASSESSMENTS

The Lessee shall pay to the proper authority when and as the same may lawfully become due and payable all taxes, assessments, and similar charges which at any time during the terms of this Lease Agreement may be taxed, assessed or imposed upon the Lessee, or upon the Lessor, by reason of this Lease Agreement.

#### ARTICLE XII. UTILITIES

The Lessee shall pay to the proper authority when and as the same may lawfully become due and payable all charges or fees for water, oil, gas, electricity and other similar services furnished to the premises or used by the Lessee in connection therewith during the terms of this Lease Agreement .

#### ARTICLE XIII. LIENS

The Lessee agrees to promptly discharge or cause to be discharged any mechanic, materialman or other liens which may arise out of any payment due for labor, services, materials, supplies or equipment which may have been furnished to or for the Lessee, its contractors or subcontractors.

#### ARTICLE XIV. CONDITIONAL RIGHT TO TERMINATE

The Lessor and Lessee agree that if any one or more of the conditions listed below should occur, within two (2) years from the effective date of this Lease Agreement, such that the economic or technical viability of the small hydroelectric power project is jeopardized, the Lessee shall have the right, upon the Lessor's prior written consent, such consent not to be unreasonably withheld, upon ninety (90) days written notice to the Lessor, to terminate this Lease Agreement where:

- a. Undue governmental delays or material legal problems occur over which the Lessor or the Lessee has no control, including failure to obtain all necessary permit and licenses; or
- b. Changes in federal, state or local tax laws that would adversely affect the economic viability of the small hydroelectric power project; or

- c. As of the time of the commencement of the rehabilitation or such other time as the small hydroelectric power project may be permanently financed or commitment for such financing may be issued, the capital markets are such that said project cannot be financed on a basis acceptable to the Lessee; or
- d. Insurance cannot be obtained at a reasonable cost.

Section 1: In the event the Lessee elects to terminate this Lease Agreement under this article, the Lessee will be responsible, at its sole cost, to stabilize the site as outlined in Article XVIII. Condition of Surrender.

#### ARTICLE XV. DAMAGE OR DESTRUCTION OF PROPERTIES

Section 1: If the premises, or adjacent lock and dam, be damaged in whole or in **part** by fire, flood, casualty or action of public authority in consequence therein,

- a. the rent herein specified, or a just and proportionate part thereof according to the nature and extent of the damage sustained, may be suspended or abated upon the mutual consent of the Lessor and the Lessee, such consent not to be unreasonably withheld; or
- b. if the premises are by such damage rendered unsuitable for continued operation of a small hydroelectric power project then this Lease Agreement may be terminated by the parties. Any such election is to be made in writing within ninety (90) days after such damage or destruction occurs; further
- c. insurance proceeds payable as a result of such damage or destruction shall be payable as follows:
  - i. proceeds attributable to the value of the premises shall be payable to the Lessor.
  - ii. proceeds attributable to the value of the improvements shall be payable to the Lessee.

Section 2: In the event such damage or destruction occurs and this Lease Agreement is not terminated as aforesaid then the terms and conditions of this Lease Agreement shall remain in full force and effect, unless otherwise agreed to in writing.

Section 3: Notwithstanding any of the provisions herein, it is understood and agreed that if the dam is declared unsafe or in the event of failure of the dam, that the Lessor has the absolute discretion to forego any and all repairs or reconstruction of the dam, or elect to make such repairs and reconstruction as is necessary, subject to legislative appropriation.

Section 4: Where the damage or destruction to the dam occurs with no fault of the Lessee, the Lessee may elect to undertake such maintenance, repair and reconstruction of the dam, as it deems necessary to its operation of a small hydroelectric power project, subject to the written consent of the Lessor. The expense of such maintenance, repair or reconstruction undertaken at the election of the Lessee shall be borne by the Lessee, unless otherwise agreed to in writing by the Lessor.

Section 5: The Lessee shall at all times during the terms of this Lease Agreement and at the Lessee's own costs and expense keep and maintain in good condition and repair all parts of the premises and shall use reasonable precaution to prevent waste, damage or injury to the premises or other interests of the Lessor as arise from the operation of a small hydroelectric power project.

#### ARTICLE XVI. FORCE MAJEURE

In the event the Lessor or the Lessee is delayed, hindered in or prevented from the performance of any act required hereunder by reason of fire, floods, storms or other Act of God, strikes, labor troubles, inability to procure materials, failure of power, riots, insurrection, the act or failure to act or default of the other party, or any other unforeseeable event beyond its control, the performance of such act shall be excused for the period of delay and the period for the performance of any such delay.

#### ARTICLE XVII. DEFAULT

Section 1: It is further agreed and understood that the Lessee's failure to perform the obligations as herein set forth may constitute default of the Lease Agreement on the part of the Lessee. The Lessee:

- a. fails to make any payment of rent within sixty (60) days after it becomes payable and if such default shall continue for thirty (30) days after receiving written notice from the Lessor demanding payment, or
- b. fails to maintain in full force and effect any insurance or bond required by the terms of the Lease Agreement, or
- c. fails to observe and perform any other provision, covenant, or condition of the Lease Agreement in a reasonable or timely manner after receiving written notice from the Lessor specifying such failure, or
- d. abandons or vacates the premises or any part thereof during the term of the Lease Agreement, or

- e. makes an assignment for the benefit of creditors or enters into a composition agreement with its creditors, or if the interest of the Lessee in the premises is attached, levied upon or seized by legal process, or
- f. assigns this Lease Agreement in violation of the terms hereof.

Section 2: In the event any of the above referenced matters occurs, at the sole option of the Lessor, the Lessor shall have the right to immediately reenter and take possession of the premises, and, as the Lessor elects, either:

- a. declare this Lease Agreement to be terminated, and in which event this Lease Agreement, all rights of the Lessee and all duties of the Lessor shall immediately cease and terminate and the Lessor may possess and enjoy the premises as though this Lease Agreement had never been made, without prejudice, however, to any and all rights of action against the Lessee the Lessor may have for rent, damages, or breach of covenant, in respect to which the Lessee shall remain and continue liable notwithstanding such termination, or
- b. relet the premises, or any part thereof, for such term or terms and on such conditions, as the Lessor determines for and on behalf of the Lessee for the highest rental reasonably obtainable in the judgment of the Lessor, which reletting shall not be considered as a surrender or acceptance back of the premises or a termination of this Lease Agreement, and recover from the Lessee any deficiency between the amount of rent, additional rent and all other charges payable under this Lease Agreement, plus any expenses incurred by the Lessor in connection with repairs, or alterations the Lessor deems necessary or appropriate to make in connection with such reletting and sums expended for reasonable attorney fees; but the Lessor shall be under no duty to relet the premises.

#### ARTICLE XVIII. CONDITION OF SURRENDER

Upon the termination of the rights of Lessee to operate the small hydroelectric power project under the terms of this Lease Agreement, or upon the determination by Lessee not to develop the premises for said project, or if the Lessee decides not to renew this lease at the end of its term with the intent of abandoning the project, the Lessee shall quit the premises and shall stabilize the site. The site will be stabilized with the intent of protecting public safety as well as protection the structural integrity of Kentucky River Dam No. 7 both during the stabilization process and in the future.

Section 1: The Lessee, at its own expense, will stabilize the site as outlined in the “Engineering Review of Proposal, Abandonment of the Lock 7 Hydroelectric Project at Kentucky Lock and Darn No. 7” which is attached as “Exhibit B”. The site will be stabilized to protect both public safety and the stability of the dam structure, as outlined in this

independent engineering analysis. Any changes to the plan outlined in Exhibit “B” would have to be approved by both the Lessor and Lessee.

Section 2: The Lessee shall maintain a Surety Bond in the amount calculated necessary in “Exhibit 2” of the “Engineering Review of Proposal, Abandonment of the Lock 7 Hydroelectric Project at Kentucky Lock and Dam No. 7”, which is attached as “Exhibit B” Based on that independent analysis, the initial Surety Bond will be for \$385,000. The Surety Bond amount shall be adjusted every five years to adjust for inflation. These periodic adjustments shall be made based on the Consumer Price Index maintained and reported by the U.S. Department of Labor, Bureau of Labor Statistics.

Section 3: Notwithstanding the above, all buildings, structures, equipment or other improvements integral to the structural integrity of the dam shall not be removed from the premises and shall be left in a suitable condition, reasonable wear and tear excepted.

Section 4: Sale of the project to another party by the Lessee, for the purpose of continuing the operation of the hydroelectric plant, does not constitute abandonment and surrender of the plant. Any sale and transfer of the plant from the Lessee to another party must be approved by the Lessor and a new lease agreement must be entered into between the Lessor and any new party, before the Lessee’s obligations under this Article are terminated.

#### ARTICLE XIX. COMPLIANCE WITH THE LAW

The Lessee shall comply with and obey all present and future applicable laws, ordinances, rules, regulations and orders of the federal, state and local government wherein the premises are located. However, this provision shall not prevent the Lessee from challenging the validity or legality of any such law, ordinance, rule, regulation or order.

Section 1: The Lessee shall throughout the term of this Lease Agreement keep itself fully informed concerning, and promptly comply, or cause compliance with all laws, ordinances, rules and regulations in any manner affecting the Lessee’s occupancy of the premises and operation of the small hydroelectric power project, and all orders and decrees of bodies and tribunals having jurisdiction or authority over the same, whether present or future, foreseen or unforeseen, ordinary or extraordinary, whether or not the same shall be presently within the contemplation of the Lessor or the Lessee, or shall involve any change in governmental policy which may be applicable with respect to the premises. The Lessee shall protect the Lessor against any claim or liability arising from any failure to so comply.

#### ARTICLE XX. FINAL DETERMINATION

All disputes concerning questions of fact which may arise under this Lease Agreement and which are not disposed of by mutual agreement shall be reserved to the Lessor for final determination as to the meaning, effect and implementation of this Lease Agreement.

#### ARTICLE XXI. CHANGES IN WRITING

This Lease Agreement may only be modified or amended by a written, mutual agreement signed by both parties

#### ARTICLE XXII. SEVERABILITY

It is understood and agreed by the parties hereto that if any part, term or provision of this Lease Agreement is held to be illegal or in conflict with any law of the Commonwealth of Kentucky, the validity of the remaining portions or provisions shall not be affected, and the rights and obligations of the parties shall be construed and enforced as if the Lease Agreement did not contain the particular part, term or provision held to be invalid.

#### ARTICLE XXIII. NON-WAIVER

No waiver by any party hereto of any condition or the breach of any term or covenant contained in this Lease Agreement, whether by conduct or otherwise, in any one or more instances, shall be deemed or construed as a further or continuing waiver of any such condition, or breach or waiver of any other conditions.

#### ARTICLE XXIV. RIVER FLOW AND EMERGENCY CONDITIONS

**As** required in the FERC license, the Lessee agrees to operate the plant in a strict run-of-river mode, using only the water that would go over the crest of the dam and not drawing the level of the Dam 7 pool down below the crest of the dam. In emergency situations, the Lessor may require that the lessee alter this flow regime in order to accomplish other public safety, drought management, flood control, environmental or other goals of the Lessor. The Lessor shall give the Lessee at least 24 hours notice of such a change, if possible, and the Lessee shall make the change as quickly as possible, but at maximum, within 24 hours. If the Lessor requires the pool be lowered below the crest of the dam, the Lessee may make this release with the hydro turbines, until the turbines become inoperable due to low head, unless the Lessor determines that release through the bypass valve is necessary for other reasons. Any requests for the Lessee to alter flows shall be provided in writing, to document to FERC why flows were altered from a strict run-of-river mode.

#### ARTICLE XXV. FERC REQUESTED MAINTENANCE AND REPAIRS

During the term of this Lease Agreement, the Federal Energy Regulatory Commission (FERC) may request certain maintenance and repairs be made to the small hydroelectric power project premises, which includes both the dam and the hydroelectric plant owned by the Lessee. This Article contains responsibilities and procedures to be followed upon a request from the FERC for maintenance and repairs to project properties. Such FERC request(s) for maintenance and repairs will be made for water retention-related purposes only.

Section 1: All FERC requested maintenance and repairs to the Lessee's Hydroelectric Plant are the sole responsibility of the Lessee.

Section 2: All FERC-requested maintenance and repairs to dam or that would include or affect other Lessor-owned property, shall follow the procedures listed below.

- a. The Lessee will notify Lessor as soon as possible of any maintenance or repairs requested by the FERC that involve Lessor-owned property.
- b. The Lessor will make a determination: if it believes that the requested repairs or maintenance are necessary based on the Lessor's standards and purposes; if adequate funding is available; and whether or not the Lessor intends to perform the maintenance or repairs requested by the FERC. The Lessor will inform the Lessee in writing what actions, if any, Lessor intends to take in response, and when it expects these actions to be taken. In the event that FERC repair or maintenance standards exceed those of the Lessor, the Lessee will be responsible for funding the balance of the costs of the repairs/maintenance specifically attributed to the FERC standards, if both Lessor and the Lessee agree the additional standards being imposed are warranted.
- c. If Lessor feels the requested repairs or maintenance are not necessary based on Lessor's standards and purposes, then the Lessee will make a determination of whether it believes the requested maintenance or repairs are necessary and reasonable for its purposes.
- d. If the Lessee determines the requested maintenance and repairs are necessary and reasonable, the Lessee will do the maintenance or repairs at its own expense, after consultation with the Lessor .
- e. If the Lessee agrees with the Lessor's determination that the requested maintenance and repairs are unnecessary or unreasonable, the Lessor will reasonably cooperate with the Lessee to attempt to have the FERC request modified or eliminated as appropriate. In the event the efforts to modify or eliminate the FERC request are unsuccessful, the Lessee shall be responsible for funding the applicable repair, even if the repair applies to either of the previously named project properties.

Section 3: Notwithstanding any provision contained herein, Lessee, its successors, and assigns, have the right to perform any and all acts required by the order of the Federal

Energy Regulatory Commission or its successor affecting the leased premises without the prior approval of the Lessor.

ARTICLE XXVI. MERGER

The Lease Agreement, including its attachments, shall constitute the entire agreement of the parties relating to the lease of the premises and no other agreement, understanding or representation relating hereto shall be binding on the parties unless set forth in writing as an amendment hereto.

IN WITNESS WHEREOF, the parties have hereunto affixed their respective signatures this \_\_\_\_\_ day of \_\_\_\_\_, ~~2005~~.

\_\_\_\_\_  
Director  
Kentucky River Authority

\_\_\_\_\_  
Date

\_\_\_\_\_  
President  
[New Owner]

\_\_\_\_\_  
Date

# Exhibit A

EXCESS AREA  
PARCELS A & C

KENTUCKY RIVER  
LOCK AND DAM NO. 7  
MERCER & JESSAMINE COUNTIES,  
KENTUCKY

## LAND DESCRIPTION

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Situate in the Commonwealth of Kentucky, County of Jessamine, on the right descending bank of the Kentucky River, at river mile 117.0, being Parcels A and C as acquired by the United States of America for Kentucky River Lock and Dam No. 7, with bearings being referenced to a plat of survey by John G. Horne, drawing number 77-L07, dated 01 June 1977, and more particularly described as follows:

Beginning at a stone monument at the northeast corner of Parcel C for said Lock and Dam No. 7, said monument being on the east side of the dam access road and being located south 600 feet, more or less, from the extended centerline of the dam; thence with said east side of the dam access road

South 09 degrees 45 minutes 23 seconds West 286.75 feet

South 00 degrees 11 minutes 18 seconds West 205.00 feet

South 01 degrees 02 minutes 42 seconds East 356.00 feet; thence crossing said dam access road

South 88 degrees 57 minutes 18 seconds West 30.00 feet; thence with the west side of said dam access road

North 01 degrees 03 minutes 14 seconds West 364.51 feet to a stone monument

North 00 degrees 12 minutes 04 seconds East 205.49 feet

North 09 degrees 31 minutes 18 seconds East 290.00 feet to a stone monument on the south boundary of Parcel A; thence with the south boundary of Parcel A

EXCESS AREA  
PARCELS A & C

KENTUCKY RIVER  
LOCK AND DAM NO. 7  
MERCER & JESSAMINE COUNTIES,  
KENTUCKY

LAND DESCRIPTION (cont'd)

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North 84 degrees 40 minutes 00 seconds West 267 feet, more or less (passing a Corps of Engineers brass disc set in concrete at 146.25 feet), to the low water line of the Kentucky River; thence downstream with the low water line

North 1,200 feet, more or less, to a point on the north boundary of said Parcel A; thence with the north boundary of said Parcel A

South 84 degrees 40 minutes 00 seconds East 299 feet, more or less (passing a Corps of Engineers brass disc set in concrete at 99 feet, more or less), to a Corps of Engineers brass survey (Type III) disc; thence with the east boundary of said Parcel A

South 00 degrees 41 minutes 00 seconds East 1,182.00 feet to a Corps of Engineers brass disc set in concrete on the south boundary of said Parcel A; thence

North 84 degrees 40 minutes 00 seconds West 148.00 feet to the point of beginning, containing 10.82 acres, more or less.

18 February 2005, SLG

EXCESS AREA  
PARCELS A & C

KENTUCKY RIVER  
LOCK AND DAM NO. 7  
MERCER & JESSAMINE COUNTIES,  
KENTUCKY

LAND DESCRIPTION (cont'd)

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It being the intent of the foregoing description to be all of the same lands as that acquired by the United States of America as follows:

Parcel A: Acquired from High Bridge Lumber Company in Civil Action No. 4918 in the United States District Court for the Eastern District of Kentucky, recorded in Commissioner's Book 5, Page 491, in the records of Jessamine County, Kentucky.

Parcel C: Acquired from High Bridge Lumber Company in Civil Action No. 5172 in the United States District Court for the Eastern District of Kentucky, recorded in Commissioner's Book 5, Page 482, in the records of Jessamine County, Kentucky.

18 February 2005, SLG

EXCESS AREA  
PARCEL B

KENTUCKY RIVER  
LOCK AND DAM NO. 7  
MERCER & JESSAMINE COUNTIES,  
KENTUCKY

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LAND DESCRIPTION

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Situate in the Commonwealth of Kentucky, County of Mercer, on the left descending bank of the Kentucky River, at river mile 117.0, being Parcel B of Kentucky River Lock and Dam No 7, with bearings being referenced to a plat of survey by John G. Horne, drawing number 77-L07, dated 01 June 1977, and more particularly described as fallows:

Beginning at a Corps of Engineers brass (Type III) disc at the southwest corner of Parcel B, located south 600 feet, more or less, from the extended centerline of the dam; thence with the west boundary of said Parcel B

North 04 degrees 30 minutes 00 seconds West 668.00 feet to a Corps of Engineers brass disc set in concrete

North 04 degrees 30 minutes 00 seconds East 665.00 feet to a Corps of Engineers brass disc set in concrete

North 18 degrees 15 minutes 00 seconds East 105.00 feet to a Corps of Engineers brass disc set in concrete; thence with the north boundary of Parcel B

North 83 degrees 15 minutes 00 seconds East 320.00 feet (passing a Corps of Engineers brass disc set in concrete at 250.00 feet) to a point on the low water line of the Kentucky River; thence upstream with the low water line

Southerly 1,500 feet, more or less, to a point on the south boundary of said Parcel B; thence with said south boundary

North 84 degrees 30 minutes 00 seconds West 190.00 feet, more or less, to the point of beginning, containing 8.492 acres, more or less.

EXCESS AREA  
PARCEL B

KENTUCKY RIVER  
LOCK **AND DAM** NO. 7  
MERCER & **JESSAMINE** COUNTIES,  
KENTUCKY

LAND DESCRIPTION (cont'd)

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It being the intent of the foregoing description to be all of the same lands as that acquired by the United States of America as **follows**:

Parcel B: By deed from the United Society of Shakers in Kentucky, dated 19 September 1895, recorded in Deed Book 63, Page 527; and a deed from the United Society of Shakers in Kentucky, dated 02 April 1898, recorded in Deed Book 66, Page 112, all in the records of Mercer County, Kentucky.

18 February 2005, **SLG**

July 12, 2005

Mr. David Brown Kinloch, President / CEP  
Lock 7 Hydro Partners L.L.C.  
414 South Wenzel Street  
Louisville, KY 40204

Engineering Review of Proposal  
Abandonment Plan for Hydroelectric Project at  
Kentucky Lock and Dam No. 7

Mr. Kinlock:

This letter report contains the findings of Kleinschmidt's review of Lock 7 Hydro Partners L.L.C. (LHP) proposed plan for the abandonment of the hydroelectric project located at the Kentucky Lock and Dam No. 7. The work was performed as outlined in our proposal of May 11, 2005, authorized by you on July 5, 2005.

Per our proposal Kleinschmidt was to review LHP's proposed plan describing the means and methods to be used to abandoned the hydroelectric powerhouse, and provide an opinion of whether the plan will leave the abandoned structure in a condition that is not detrimental to the long term stability of the structure, detrimental to general public safety, or impair or compromise the integrity or stability of the existing dam. Kleinschmidt was also to review LHP's proposed opinion of costs for the abandonment and securing of the powerhouse, costs which will be used to establish funds for use at a future date to implement the abandonment plan.

Excluded from our Scope of Work was any visit to the project site to view the structure, its condition, or accessibility. Our work was based upon project information provided by LHP. Our work did not include performing extensive structural, stability, hydraulic analyses or calculations, other than brief calculations to verify the stability of the powerhouse structure if the project were to be abandoned.

### ***BACKGROUND INFORMATION***

LHP is proposing to purchase from Kentucky Utilities (KU) the inactive hydroelectric project (FERC #539) located at Kentucky (river) Lock and Dam #7. The dam itself is (or will be) owned by the State of Kentucky and managed by the Kentucky River Authority (KRA). As part of the lease agreement, the KRA has requested that LHP provide an abandonment plan and a bond (or some other financial instrument) to establish funds that would be used to properly abandon and stabilize the powerhouse if operation is discontinued in the future, necessitating the permanent abandonment of the powerhouse.

LHP has submitted to the KRA a plan and estimate of costs to abandon and stabilize the powerhouse. The plan only addresses the abandonment of the hydroelectric project's powerhouse and associated power generating and electrical equipment. The plan does not include the abandonment of the existing dam, which is/will be operated and maintained by the KRA.

Documents provided to Kleinschmidt for our review include the following:

1. "Provisions for the Possible Future Abandonment and Stabilization for the Lock 7 Hydroelectric Project", undated, presumably by Lock 7 Hydro Partners, four pages including two figures (Abandonment Plan).
2. "Cost Estimate of Stabilization of Lock 7 Plant", undated, presumably by Lock 7 Hydro Partners, two pages (Cost Opinion).
3. "Initial Consultation Document in Support of Application for License Surrender", April 1, 2004, Kentucky Utilities Company, eleven pages.
4. Exhibit B, "Provisions for the Possible Future Abandonment of the Lock 7 Hydroelectric Plant", undated, presumably by Kentucky Utilities Company, six pages including two figures and a one page cost opinion.
5. 1 10 construction photographs.
6. 33 construction drawings.

For ease of reference and to eliminate the need for a description of LHP's abandonment plan and opinion of cost to abandon the hydroelectric project, a copy of Documents 1 and 2 are attached.

### ***REVIEW OF PROPOSED ABANDONMENT PLAN***

#### Abandonment Plan

Per the Abandonment Plan, LHP would fill the turbine water passage with concrete, casting all rotating and movable turbine components in the concrete without removing them; remove the generators (to the level of the coupling with the turbine shaft), switchgear, governors, and exciters from the powerhouse; remove the station step-up transformer; and deactivate the power lines to the powerhouse.

The plan, including the means and methods, to fill the water passages with concrete is sound. Exhibits 3 through 6 delineate Kleinschmidt's understanding of the areas that would be filled with concrete. The concrete will have to be pumped 300 to 400 feet; from previous Kleinschmidt experience, pumping concrete over 500 feet can be accomplished without significant problems. Depending on river flow conditions, laying the pump line on the crest of the dam may not be possible if the dam is spilling, or could spill in while pumping concrete. An alternative method to routing of the pipeline would be to use a floating pipe located on the upstream side of the dam. The pipeline should be readily assessable during the work in the event that it becomes plugged and needs to be cleared.

The in-place abandonment of the rotating/moving parts of the turbine is reasonable, as is the removal of the major electrical power generating equipment. Casting the turbine machinery

in concrete will not compromise the integrity or stability of the structure, nor will it result in planes of weakness through the structure. LHP has proposed containing the concrete placed in the turbine pit by using channels placed against the trash racks and by blocking off the draft tube area on the downstream side. An alternate means to creating the required forms would be to install the headgate or wood or steel stoplogs in the intake head gate and draft tube gate slots (see Exhibit 5 for locations). Placement of concrete will have to proceed slowly to allow some setting of the concrete to prevent the displacement of any forms or gates. Divers may also have to be used to facilitate the placement of concrete especially for setting the forms or placing the concrete underwater. In addition, divers should be used to clean the floor of the turbine pit and draft tube area of any significant amounts of sediments that may have accumulated if the turbines have not been operated for any length of time prior to the concrete placement.

The infilling of the turbine water passages with concrete effectively turns the substructure into a "concrete gravity dam", that will be inherently stronger and more durable than the adjoining concrete capped timber crib dam. The powerhouse is separated from the spillway dam by a massive, thick, concrete gravity wall that is the powerhouse's east abutment. Within the next 100 years, it is anticipated that the condition of the timber crib dam would have deteriorated to a point where removal or replacement is needed to ensure its safety.

Ultimately the best long term plan would be to raze the powerhouse to the level of the crest of the dam and fill the turbine water passages with concrete, but it is understood that due to the uniqueness of the design of the powerhouse that the structure could be eligible for the historic register and razing of the powerhouse is not desirable. It is Kleinschmidt's opinion that while the work proposed in the Abandonment Plan will render the hydroelectric project inoperable, other work should be performed to ensure public safety, and provide a structurally adequate structure that should stand for another 100 years. Included as Exhibit 1 are Kleinschmidt's recommended modifications to the Abandonment Plan to improve public safety and structural adequacy by the removal of additional equipment and modifications to the concrete structures.

### Cost Opinion

LHP's opinion of cost to abandon and secure the hydroelectric project is included as Document 1. The cost of equipment and the estimated hours and the hourly cost of unskilled labor and to perform the abandonment work appear to be reasonable. In reviewing the cost opinion, it was noted that while the cost of "Insurance for Work" was identified on LHP's spreadsheet, the cost was not mathematically included in the Total Cost. In addition, it is Kleinschmidt's opinion that additional costs should include time for a Construction Superintendent to direct the laborers, and some time should be included for skilled labor (carpenter, ironworker, rigger). Also absent from the cost opinion is the cost for the use of divers to facilitate the sealing and removing of sediments from the structure in order to allow the placement of tremie concrete.

Prior to Kleinschmidt preparing this report, LHP, in discussions with Kleinschmidt, prepared a cost opinion for the removal of the gantry crane and walkway although that work is not contained in the Abandonment Plan of Document 1. Included as Exhibit 2, is Kleinschmidt's opinion of the cost to abandon the project per LHP's current plan with revisions as noted above. Kleinschmidt's opinion is \$71,000 higher than LHP's estimate. Kleinschmidt's opinion does not include the costs associated with the additional recommended modifications described in Exhibit

I although it is probable that the 15% contingency (\$50,000) included in the cost opinion would be sufficient to cover the costs for the recommended modifications identified in Exhibit 1. Also excluded from Kleinschmidt's or LHP's cost opinions are costs that may be needed for engineering support of the abandonment work. It is Kleinschmidt's opinion that little to no engineering would be required for the abandonment work.

LHP's documents are not clear on what type of financial instrument will be used to establish the funds for future use. If the instrument is non-interest bearing, then consideration should be given to escalating the cost opinion to allow for inflation. If the funds are to be available to cover the abandonment of the hydroelectric project at the end of its current license in 2022 (approximately 15 years), then assuming 3% annual inflation, the costs of the work could be 56% higher than the opinions estimated in 2005 dollars.

### Stability

Simplified and limited stability analyses were performed to develop an opinion of the adequacy of the structure that would remain after abandonment. Analyses were performed for Normal (spillway not discharging) conditions and for the 100-Year Flood. LHP indicated that the 100-Year Flood at L&D 7 would result in a flow of 123,850 cfs based on USGS data, with the level of the upper pool at El. 551.0' msl. LHP further reported that there would be little difference between the level of the upper and lower pools.

The stability analyses were performed using the two dimensional limited equilibrium analyses (gravity method) assuming the concrete filled structure acted monolithically. The areas assumed to be filled with concrete are shown on Exhibits 3 through 6. Exhibits 7 and 8 show the geometry of the dam-powerhouse structure. Exhibit 9 identifies the assumptions used in the analyses, and Exhibit 10 is a table showing the results of the analyses. Exhibits 11 and 12 show the uplift loading diagrams used in the stability analyses.

The analyses indicate (Exhibit 10) that the low hazard structure would be stable under Normal Pond and the 100-Year Flood loading conditions, with factors of safety that exceed the requirements of the FERC's *Engineering Guidelines for the Evaluation of Hydropower Projects*, Chapter 3 – Gravity Structures for Low Hazard Potential dams. Stability analyses were performed for two loading conditions at the 100-year flood; Flood I includes the weight of water on the crest of the submerged dam and assumed the piers were flooded; Flood II excluded the weight of water on the crest of the submerged dam and assumed the piers were not flooded. The structure's factors of safety for the Flood II loading condition also exceeded the FERC's minimum requirements.

### ***FINDINGS AND CONCLUSIONS***

While the removal of the foot bridge should eliminate access to the elevated powerhouse for the majority of the general public, it is Kleinschmidt's opinion that some individuals will inevitably attempt, and possibly succeed, in gaining access to the level of the powerhouse deck. For this reason, it is Kleinschmidt's opinion that all roof and floor openings in the powerhouse should be permanently sealed to prevent access into the gate piers. If the powerhouse and the (hollow) piers are properly sealed to prevent access, then there is no need to remove the ladders,

platforms, and other metal components that will remain inside of the pier. It should be assumed that the metal components left in the pier will deteriorate to an unsafe condition, and means should be implemented to prevent access to the pier.

It should be recognized that due to the design of the elevated powerhouse, the structure will not stand forever, and the powerhouse and piers will eventually deteriorate to a condition that will allow the structure to collapse. In all probability such a collapse would occur during an extreme flood event and would not jeopardize or endanger public safety, nor would it threaten or compromise the stability or safety of the "dam" on which the piers are founded.

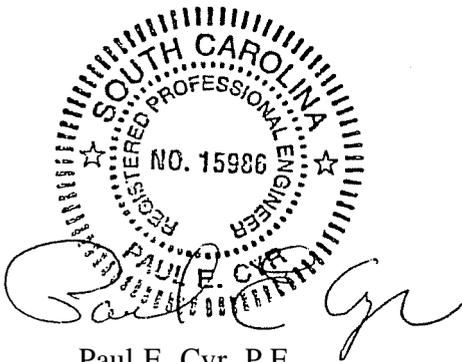
It is Kleinschmidt's opinion that LHP's proposed Abandonment Plan with inclusion of the recommendations contained in Exhibit 1 should provide a powerhouse structure that is secure, safe, structurally adequate, and with minimum liability for 100 years. The stability analyses that were performed for the structure, as modified for abandonment, indicate that the structure would have factors of safety that exceed the FERC's minimum requirements for a Low Hazard Potential dam.

The Cost Opinion proposed by Kleinschmidt (Exhibit 2) should result in the availability of sufficient funds for the implementation of the Abandonment Plan if the funded amount, or the interest bearing instrument used to establish the fund, allows for escalation for inflation.

We trust that this report and review performed is sufficient to meet the requirements of the Kentucky Utilities and the Kentucky River Authority. All conclusions, findings, and recommendations contained in this report were made independently of Kentucky Utilities; Kentucky River Authority; Lock 7 Hydro Partners, LLC; Salt River Electric; Shaker Landing Hydro Associates, Inc.; and Soft Energy Associates, their partners, employees, and representatives.

Sincerely,

KLEINSCHMIDT ASSOCIATES



Paul E. Cyr, P.E.  
Project Manager

PEC:clb

Attachments: Documents 1 & 2  
Exhibits 1 through 10

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## **PROVISIONS FOR THE POSSIBLE FUTURE ABANDONMENT AND STABILIZATION OF THE LOCK 7 HYDROELECTRIC PLANT**

After operation of the Lock 7 Hydroelectric plant for nearly 75 years, Kentucky Utilities (KU) proposed to retire and abandon the plant. While KU has now decided to sell the plant to Lock 7 Hydro Partners, LLC to rehabilitate it and put it back in service, KU has raised the issue of possible abandonment of the plant, if it ever stops being used to generate power in the future. The Kentucky River Authority (KRA) is interested in putting in place provisions to make sure the plant is properly abandoned and stabilized, if the use of the plant is discontinued in the future.

Should the Lock 7 Hydroelectric Plant ever be abandoned, the KRA is interested in having the dam, which is used for water supply, left in as good a condition, or better, as if the hydroelectric plant had not been installed. In the case of the Lock 7 plant, the hydro plant is the only portion of the dam that contains reinforced concrete, and thus is currently the strongest portion of the dam. To further strengthen this section of the dam if abandoned, the three turbine chambers would be filled with concrete, to make this section a solid mass.

The powerhouse will be left in place and could be a valuable asset for future maintenance and repairs of Dam 7. Should Dam 7 ever need significant repairs in the future, the gantry crane which would be left in place could be very useful for loading and unloading supplies. The height of the powerhouse may also be useful for putting cables across the river, to set up a trolley system to bring repair or reconstruction supplies to the mid-section of the dam. Thus the powerhouse and gantry crane are valuable assets that should be left in place for future dam work. The weight of the powerhouse also helps to prevent any uplift conditions from occurring on the hydroelectric section of the dam. Unneeded generating equipment and associated step-up transformers would be removed.

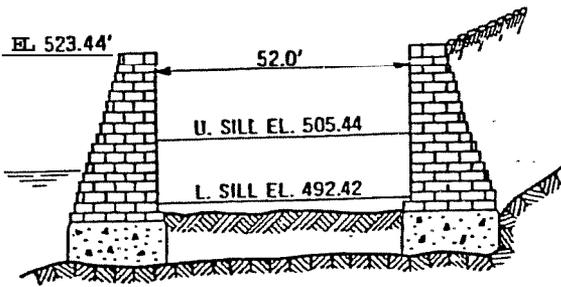
Upon abandonment, the following actions should be taken to stabilize the site and leave the hydroelectric portion of the dam strong, stable, and safe to the general public:

- 1) Fill the Turbine Chambers with concrete. This action will make the powerplant section of the dam solid and stronger, than the rest of the dam. Filling the void spaces in the turbine section of the darn will make this a solid concrete portion, as opposed to the rest of the dam that is a timber crib with a concrete cap. This will also prevent any water from moving through the old turbine chambers.

To accomplish this task, a temporary four inch stainless steel line will be run from the lock side of the river, across the crest of the dam, attached to a flexible hose at the turbine chambers. Concrete can be pumped through this line at up to 100 yards per hour. The total void areas in the turbine chambers to be filled are estimated to require 2800 yards of concrete. Concrete will be retained in the turbine chambers during the pours by temporary forms made of 12 inch steel channel. These forms will be laid against the trashrack on the upstream side, and against the discharge hole on the downstream. Concrete pumped into the chambers will displace the standing water in the chambers. The turbines will be left in place in a closed position to prevent water movement during the pour. The turbines will thus be encapsulated in the concrete. The shafts which will hold the turbine runners will also be left in place in the concrete piers. The turbine chambers will be filled one at a time, moving the temporary forms from chamber to chamber. This work would need to be accomplished during a low flow period. It will take approximately a week apiece to fill each of the three turbine chambers. The temporary forms and concrete pumping line will be removed after the pours are complete.

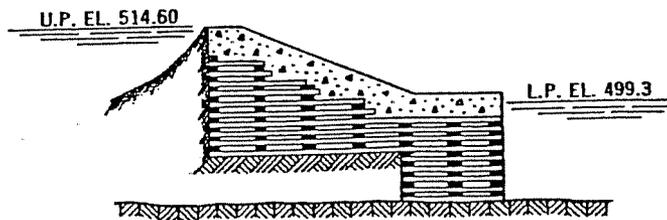
- 2) Removal of the generating equipment. The generators, switchgear, governors and exciters will be removed. This equipment will simply be unbolted and lifted by the gantry crane to a barge that will move the equipment to the lock side of the river to be trucked away from the site. The wiring and associated controls necessary to operate the gantry crane will be left in place for future use if the gantry crane is used for future dam repair work.
- 3) Removal of step-up transformer from substation on the bank next to the plant. The large step-up transformer used for power from the generators will be removed and trucked away from the site. The small auxiliary transformers, necessary to operate the gantry crane, will be left for future use of the crane.
- 4) Deactivation of power lines. The power lines to the powerplant will be de-energized by opening the isolation switch just outside the High Bridge substation. The lines to the Lock 7 substation would remain "dead", unless reactivated at sometime in the future to operate the gantry crane for work on Dam 7. While public access is quite limited, in addition for public safety, the substation area and access walkway will remain locked and fenced off from the public.

After taking these actions, the hydroelectric portion of the dam should be stronger than the older timber crib section, since the hydroelectric section will be a solid concrete mass. The site should be stabilized, the darn should be stronger than before the hydroelectric plant was added, and the site should be safe for the general public. Attached is a cost estimate to implement these tasks to stabilize the site and a drawing of the revised dam cross section.



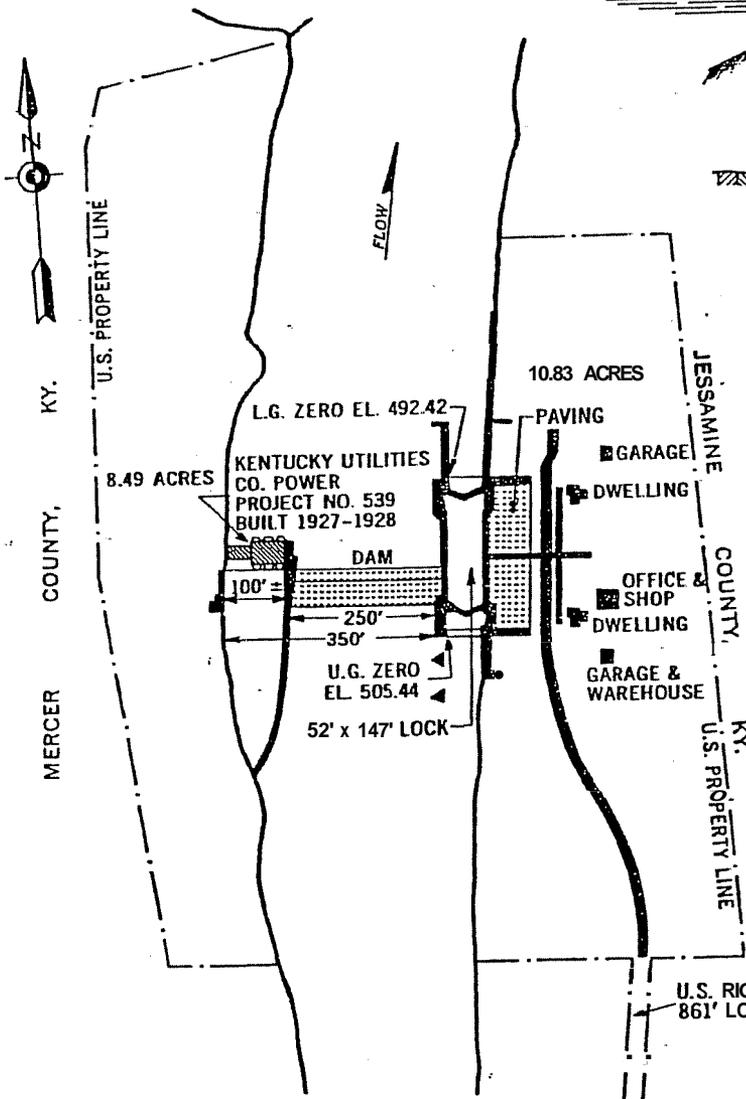
SECTION THRU LOCK

SCALE IN FEET  
0 20 40



SECTION THRU DAM

SCALE IN FEET  
0 20 40



PLAN

SCALE IN FEET  
0 150 300

MILE 117.0  
H.W. 547.60 (1937)  
U.P. 514.60  
L.P. 499.30  
LIFT 15.3'

BUILT 1896-1897  
PART OF 6 FOOT PROJECT KY. RIVER  
PUT IN OPERATION 1897  
DEPTH ON UPPER MITER SILL 9.16'  
DEPTH ON LOWER MITER SILL 6.88'  
U.S. PROPERTY 19.32 ACRES FEE

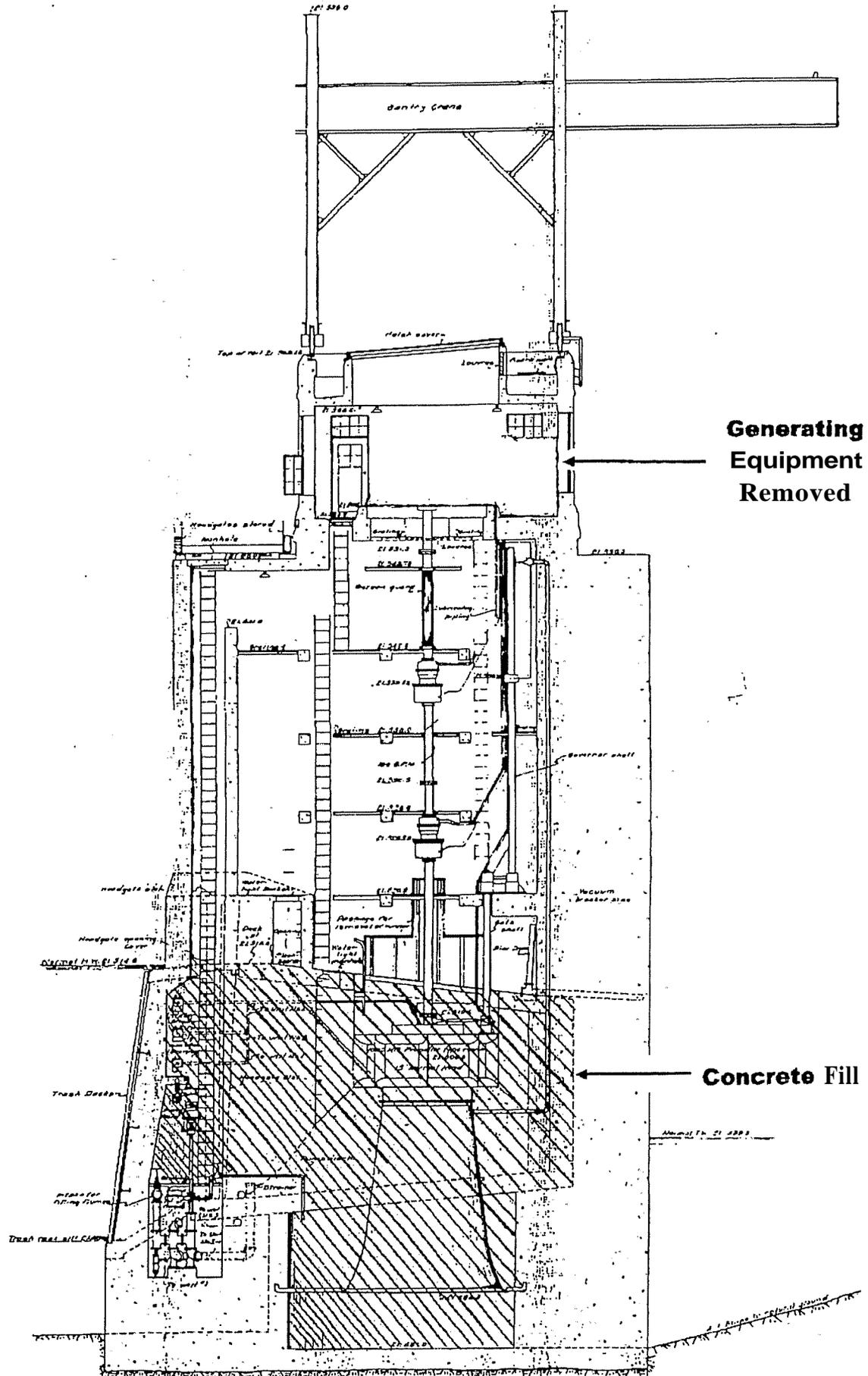
U.S. RIGHT-OF-WAY 30' WIDE  
861' LONG 0.592 ACRE.

# KENTUCKY RIVER LOCK & DAM NO. 7

LOUISVILLE, KY. DISTRICT

SCALES AS SHOWN

# Revised Dam Cross Section



DOCUMENT 2

**Cost Estimate of Stabilization of Lock 7 Plant**  
(In 2005 Dollars)

			Materials	Labor	TOTAL
Remove Transformers					
Labor	120 hours x	\$25.00 per hour		\$3,000	\$3,000
Crane and Truck rental			\$2,000		\$2,000
<b>Total</b>			<b>\$2,000</b>	<b>\$3,000</b>	<b>\$5,000</b>
Remove Generators, Switchgear, Governors, Exciters					
Labor	300 hours x	\$25.00 per hour		\$7,500	\$7,500
Truckable Boat and Barge			\$25,000		\$25,000
Crane and Truck rental			\$2,000		\$2,000
<b>Total</b>			<b>\$27,000</b>	<b>\$7,500</b>	<b>\$34,500</b>
Concrete Fill Turbine Chambers					
Concrete (Delivered)	2,800 cu yd =	\$60.00 per ton	\$168,000		\$168,000
Installation Labor	800 hours x	\$25.00 per hour		\$20,000	\$20,000
Temporary Forms			\$10,000		\$10,000
Concrete Pumping Truck and Hoses			\$20,000		\$20,000
<b>Total</b>			<b>\$198,000</b>	<b>\$20,000</b>	<b>\$218,000</b>
Insurance for Work				\$8,000	\$8,000
<b>Task Subtotal</b>			<b>\$227,000</b>	<b>\$30,500</b>	<b>\$257,500</b>
15% Contingency			\$34,050	\$4,575	\$38,625
<b>Total Cost</b>			<b>\$261,050</b>	<b>\$35,075</b>	<b>\$296,125</b>
Total Labor Hours Including Contingency		1,403 hours			

# Cost Estimate of Stabilization of Lock 7 Plant

(In 2005 Dollars)

## Contingency funds for removal of Gantry Crane and Walkway

			Materials	Labor	TOTAL
Remove Gantry Crane					
Rental of Rigging and Other Equipment			\$3,000		
Cutting Gas			\$500		
Labor	500 hours x	\$25.00 per hour		\$12,500	\$12,500
<b>Total</b>			<b>\$3,500</b>	<b>\$12,500</b>	<b>\$12,500</b>
Remove Powerhouse Access Walkway					
Labor	100 hours x	\$25.00 per hour		\$2,500	\$2,500
<b>Task Subtotal</b>			<b>\$3,500</b>	<b>\$15,000</b>	<b>\$15,000</b>
15% Contingency			\$525	\$2,250	\$2,775
<b>Total Cost</b>			<b>\$4,025</b>	<b>\$17,250</b>	<b>\$17,775</b>
Total Labor Hours Including Contingency		690 hours			

\*\* Note: This work will also require the use of the Truckable boat and barge, which is already included in the primary stabilization plan.

## EXHIBIT 1

### LOCK 7 HYDRO PARTNERS, LLC LOUISVILLE, KY

#### KENTUCKY LOCK & DAM No. 7

### RECOMMENDED MODIFICATIONS TO THE ABANDONMENT PLAN

The following recommendations are made to provide a powerhouse structure that is secure, safe, structurally adequate, and with minimum liability for 100 years. Due the elevated design of the powerhouse, the concrete piers and powerhouse floor are significant structural elements that are relatively thin and will deteriorate, eventually resulting in the collapse of the powerhouse and supporting pier(s). As a result of the filling in of the turbine water passages with concrete, effectively turning the underlying substructure into a “concrete gravity dam”, the collapse of the piers of powerhouse should not result in the failure of the concrete dam. Within the next 100 years, it is anticipated that the condition of the timber crib dam will have deteriorated to a point where removal or replacement of the dam is needed to ensure its safety.

1. Fill the powerhouse piers with concrete to El. 520.8, 6 feet above the crest of the dam. The reinforced concrete piers are 18-inches thick and are subjected to deterioration by freeze-thaw and water-sediment erosion. Upon abandonment of the powerhouse, it is not clear who is responsible for maintaining the concrete structures. Filling the piers with concrete to a level well above the normal freeze-thaw line (generally described as 3 feet above normal winter pool) will prevent deterioration from occurring along both the inside faces of the pier. Filling the pier with concrete to the top will not significantly improve on the structural capacity of the pier because there is no mechanical tie between the two original and new concrete to ensure that the concrete as a structural unit, but preventing deterioration from occurring on the inside face of the pier it would theoretically extend the structural life of the lower six feet of the pier along the top of the “dam”.
2. Provide a grated opening through the piers to allow high water levels to flood the pier thereby improving on the structure’s stability during such events. The opening (minimum 12 inches square) should be covered with a heavy steel bar gating to prevent public access into the hollow pier and then onto the steel ladders and structural elements inside of the pier, which will deteriorate over time. A grated opening of equivalent size should also be installed at the floor level of the powerhouse to allow air to vent and the free flow of water into/out of the pier.
3. Placing concrete in 12-inch lifts underwater will result in a significant number of cold joints in the concrete, but any subsequent seepage that may occur through the joints will be insignificant and inconsequential.
4. Provisions may have to be made to “blind off” the trashracks to prevent leakage flow through the turbine when placing concrete in the draft tube area of the water passage. **An** alternate to blinding the racks would be to close the intake headgates to allow the

placement of concrete into the draft tube area through the dewatered turbine pit. Leakage through the turbines will result in washing the cement past from the concrete in the draft tube area. When filling the turbine pit with concrete, the turbine wicket gates should be opened to allow concrete to fill the runner area.

5. Weld closed all manholes (9) in the powerhouse floor to prevent access into the hollow piers or into the waterway below.
6. Cover the generator openings through the powerhouse floor to prevent anyone from accessing or falling into the hollow pier. The cover should be a significant element that would not deteriorate within 100 years.
7. Weld closed all **rook** hatches to prevent access into the powerhouse.
8. Weld closed or fill in the door into the powerhouse. The window over the door and in the west wall, and the western-most windows on the north and south walls should be filled in with concrete block to prevent access.
9. Consider the removal of any wood walkways that traverse the powerhouse roof. Deterioration of the walkway could be a liability to the dam owner if the public gained access and someone was injured.
10. Remove all hydraulic power units and associated oil accumulators, tanks, and pumps located in the powerhouse or in the pier; eliminating the potential for leakage of oil into the waterway.
11. Remove all oil filled transformers from the powerhouse.
12. Remove any oil filled thrust or guide bearing(s) from within the piers.
13. Remove the gantry crane and all power transformers that would have been used to provide power to the crane. Without maintenance, the steel gantry crane will deteriorate faster than the concrete, and at some point, deterioration will advance to a stage where the gantry could collapse and topple under its own weight or under high wind or ice loading. It is doubtful that the gantry crane will stand for an additional 100 years, even if maintenance is performed during abandonment.
14. Remove the foot bridge from the west bank to the powerhouse. Once the powerhouse is abandoned, it should be assumed that no matter how difficult, the public will attempt to gain access to the powerhouse or use the bridge as a diving platform. If the bridge is left in place after the project is abandoned it will deteriorate due to lack of maintenance, resulting in an unsafe condition and a liability to whomever owns the dam.
15. Remove the steel support structure and all fencing and equipment located in the substation. Once the powerhouse is abandoned it should be assumed that no matter how difficult, the public will attempt to gain access to the substation, and there is a liability associated with leaving a structure into which the public could climb.

**EXHIBIT 2**  
**Cost Estimate of Stabilization of Lock 7 Plant**  
**(In 2005 Dollars)**

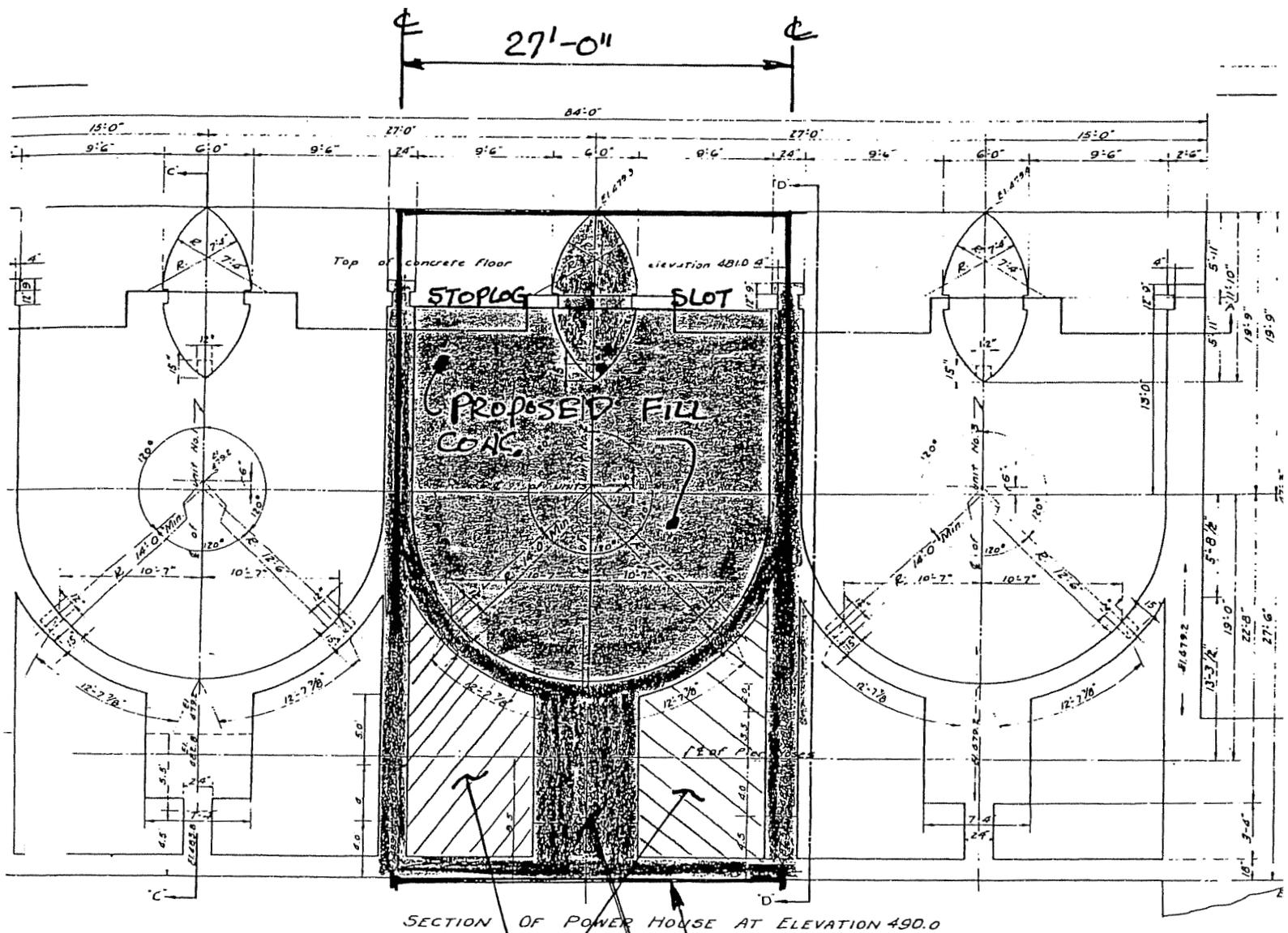
				Materials	Labor	TOTAL
<b>Remove Transformers</b>						
Labor	120 hours x	\$25.00 per hour			\$3,000	\$3,000
Crane and Truck rental			\$2,000			\$2,000
<hr/>						
<b>Total</b>				<b>\$2,000</b>	<b>\$3,000</b>	<b>\$5,000</b>
<b>Remove Generators, Switchgear, Governors, Exciters</b>						
Labor	300 hours x	\$25.00 per hour			\$7,500	\$7,500
Skilled Labor	40 hours x	\$40.00 per hour			\$1,600	\$1,600
Truckable Boat and Barge			\$25,000			\$25,000
Crane and Truck rental			\$2,000			\$2,000
<hr/>						
<b>Total</b>				<b>\$27,000</b>	<b>\$9,100</b>	<b>\$36,100</b>
<b>Concrete Fill Turbine Chambers</b>						
Concrete (Delivered)	2,800 cu yd =	\$60.00 per cy	\$168,000			\$168,000
Installation Labor	800 hours x	\$25.00 per hour		\$20,000		\$20,000
Skilled Labor	80 hours x	\$40.00 per hour		\$3,200		\$3,200
Temporary Forms			\$10,000			\$10,000
Divers	240 hours x	\$50.00 per hour	\$4,500	\$12,000		\$16,500
Concrete Pumping Truck and Hoses			\$20,000			\$20,000
<hr/>						
<b>Total</b>				<b>\$202,500</b>	<b>\$35,200</b>	<b>\$237,700</b>
<b>Remove Gantry Crane</b>						
Rental of Rigging and Other Equipment			\$3,000			\$3,000
Cutting Gas			\$500			\$500
Labor	500 hours x	\$25.00 per hour		\$12,500		\$12,500
Skilled Labor	80 hours x	\$40.00 per hour		\$3,200		\$3,200
<hr/>						
<b>Total</b>				<b>\$3,500</b>	<b>\$15,700</b>	<b>\$19,200</b>
<b>Remove Powerhouse Access Walkway</b>						
Rental of Rigging, Other Equipment, and Cutting Gas with Removal of Gantry Crane						
Labor	100 hours x	\$25.00 per hour		\$2,500		\$2,500
Skilled Labor	80 hours x	\$40.00 per hour		\$3,200		\$3,200
<hr/>						
<b>Task Subtotal</b>				<b>\$0</b>	<b>\$5,700</b>	<b>\$5,700</b>
Construction Super	480 hours x	\$50.00 per hour		\$24,000		\$24,000
<hr/>						
<b>Subtotal Costs</b>				<b>\$235,000</b>	<b>\$92,700</b>	<b>\$327,700</b>
Contingency	15%		\$35,250	\$13,905		\$49,155
Insurance for Work			\$0	\$8,000		\$8,000
<hr/>						
<b>Total Cost</b>				<b>\$270,250</b>	<b>\$114,605</b>	<b>\$384,855</b>
Total Labor Hours:	Labor		1,820	hours		
	Skilled Labor		280			
	Divers		240			
	Construction Supervision		480			
			<hr/>			
			2,820	hours		

Kleinschmidt Associates

July 8, 2005

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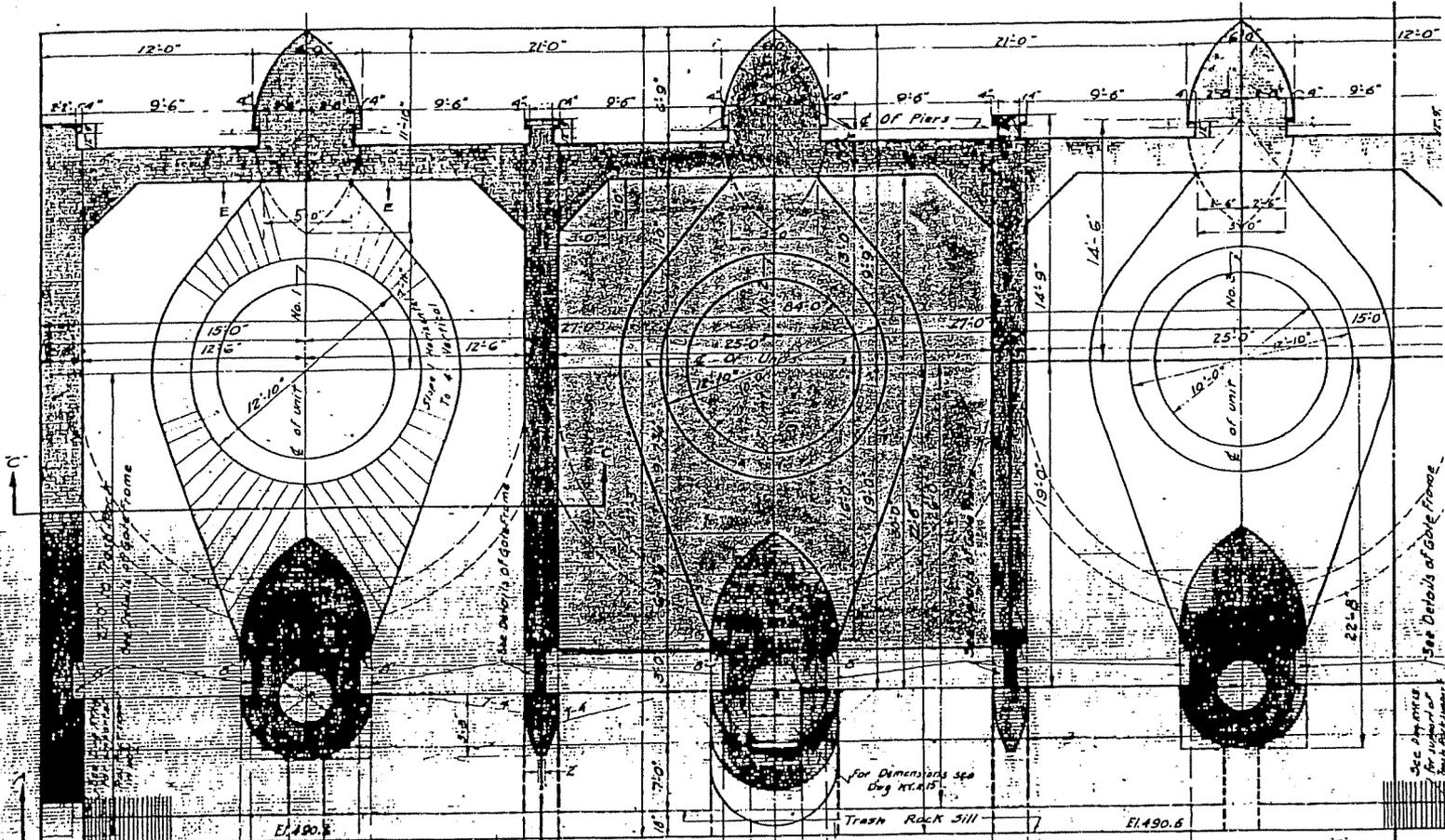
EXISTING ROCK OR  
EARTH FILL

OUTLINE OF STRUCTURE  
FOR STABILITY ANALYSES

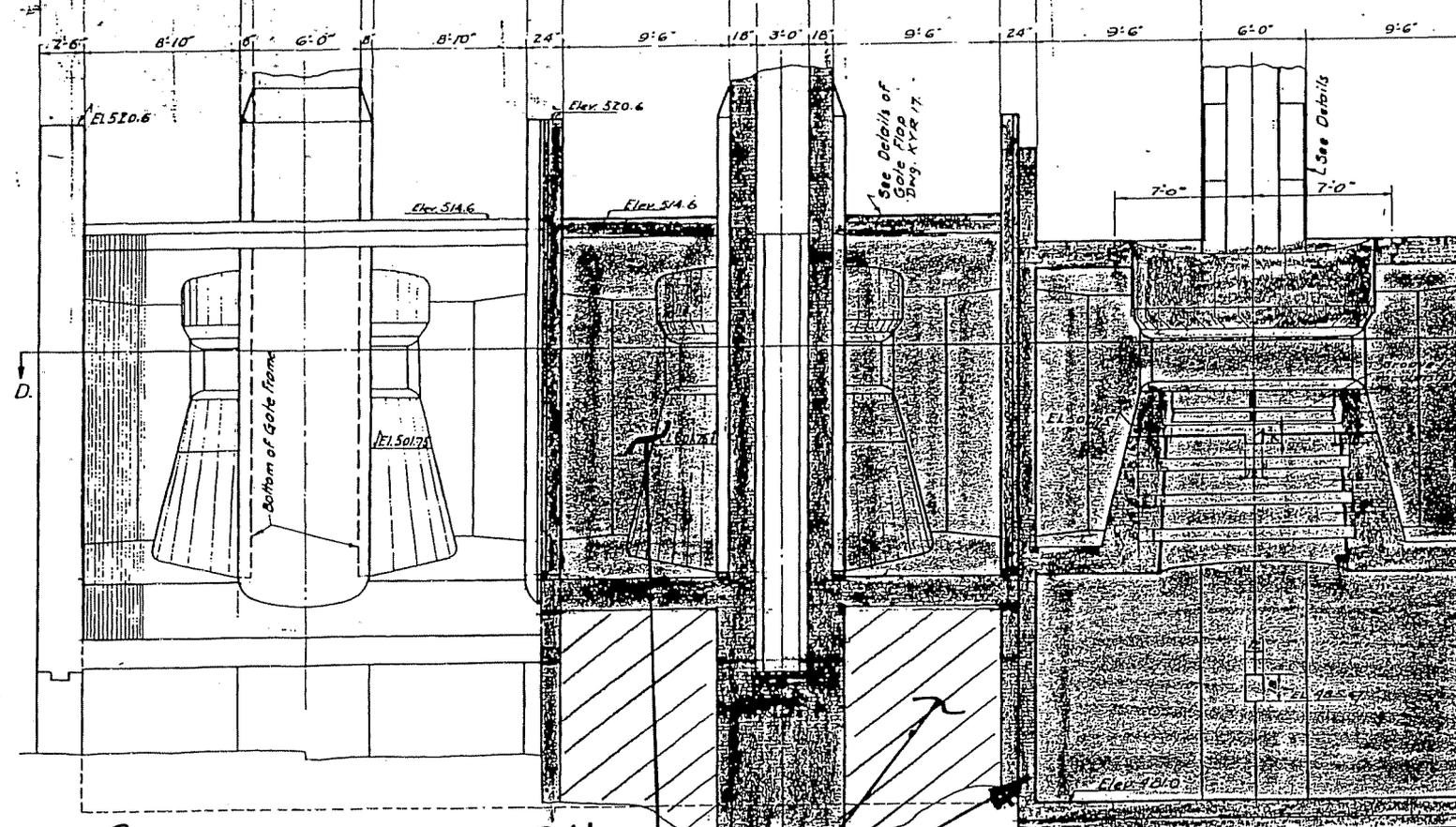
EXISTING CONCRETE

FROM DWG. KYR 2-0

EXHIBIT 4

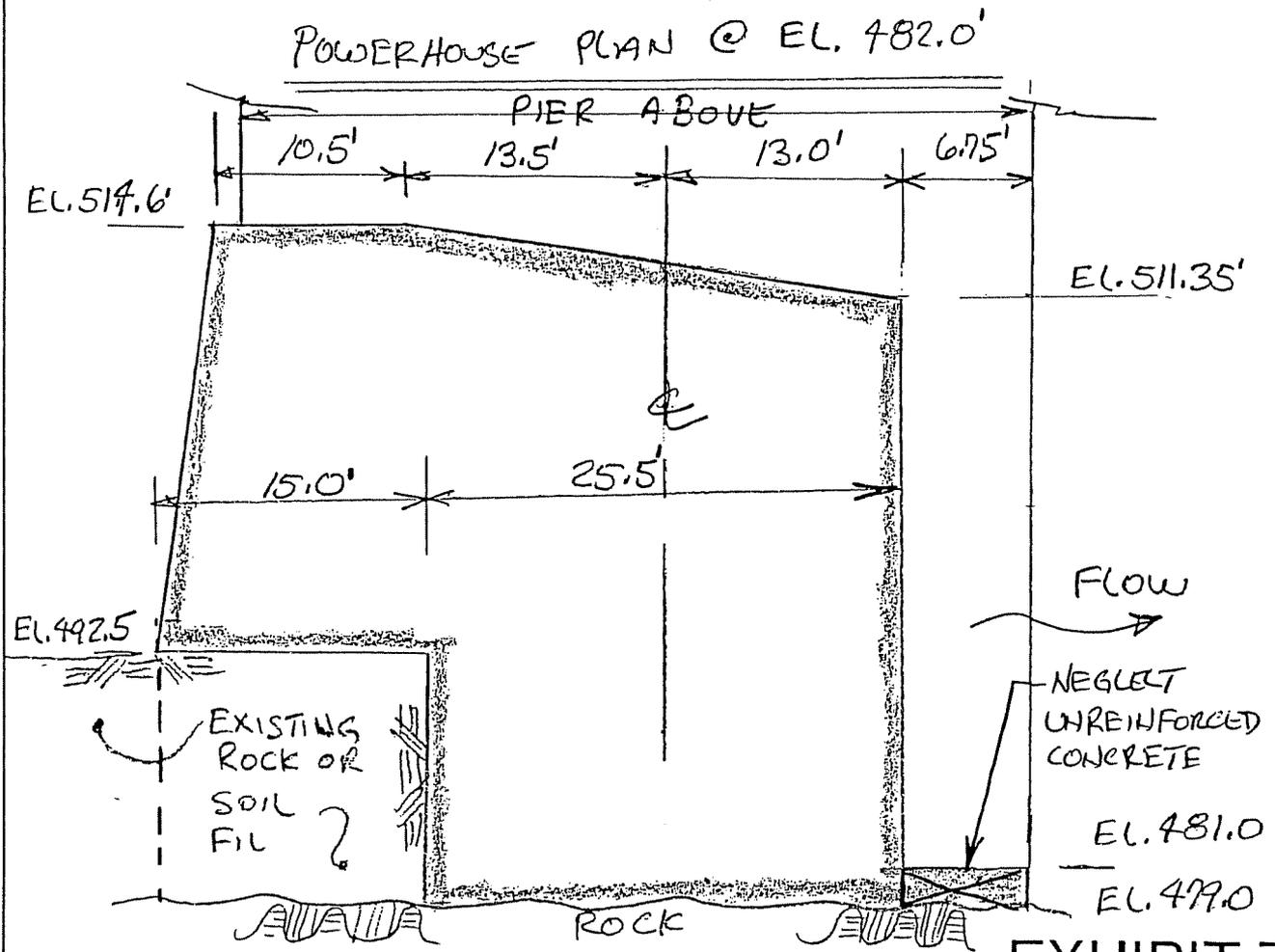
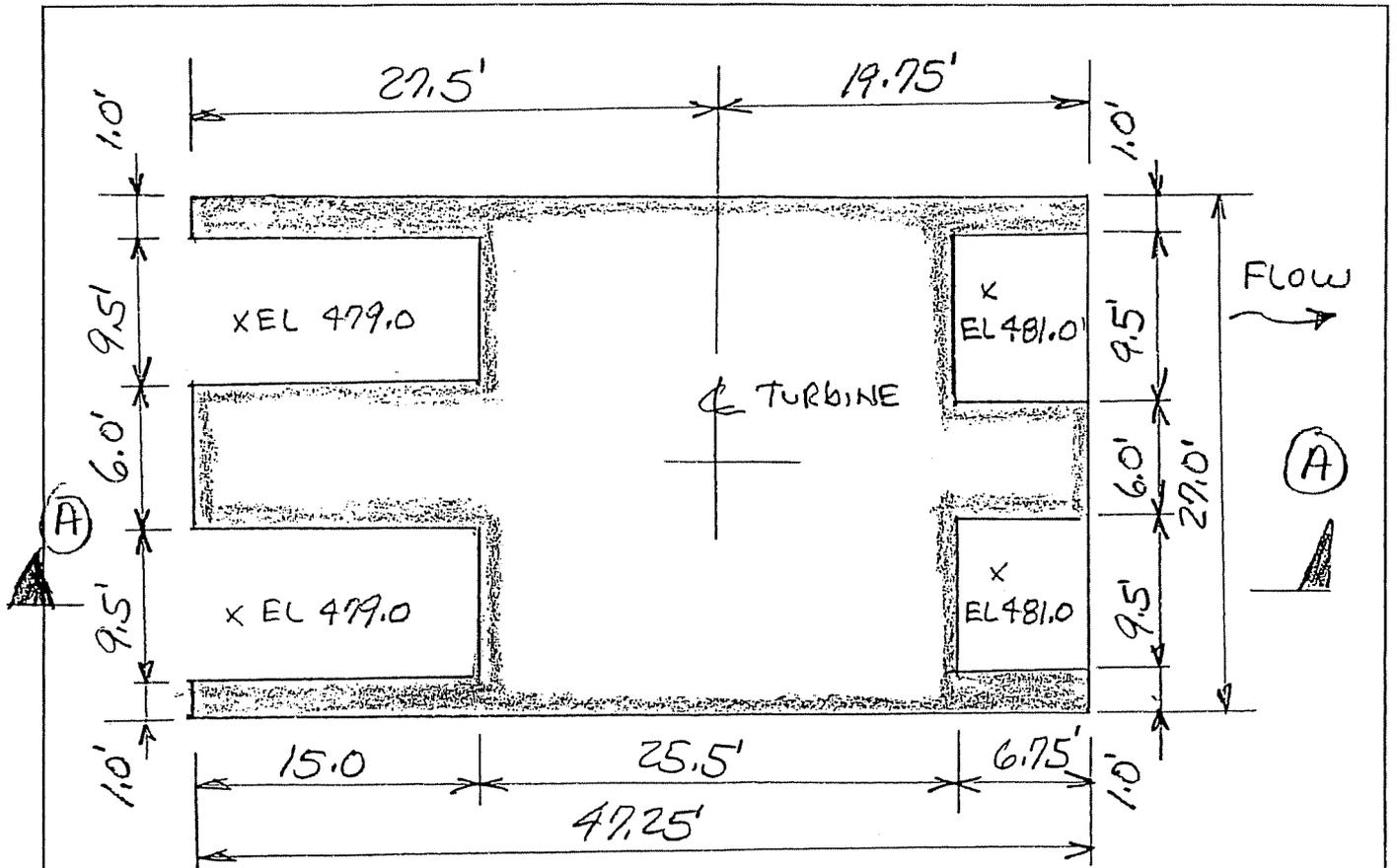


PLAN-SECTION D-D  
 PLAN THRU CENTER OF TURBINES  
 SCALE 1/8"=1'-0"



PROPOSED CONCRETE FILL  
 ELEVATION - SECTION A-A  
 EXISTING ROCK OR EARTH FILL  
 EXISTING CONCRETE  
 SCALE 1/2"=1'-0"

FROM DWG KYR 3-3  
 EXHIBIT 6



SCALE 1" = 10'

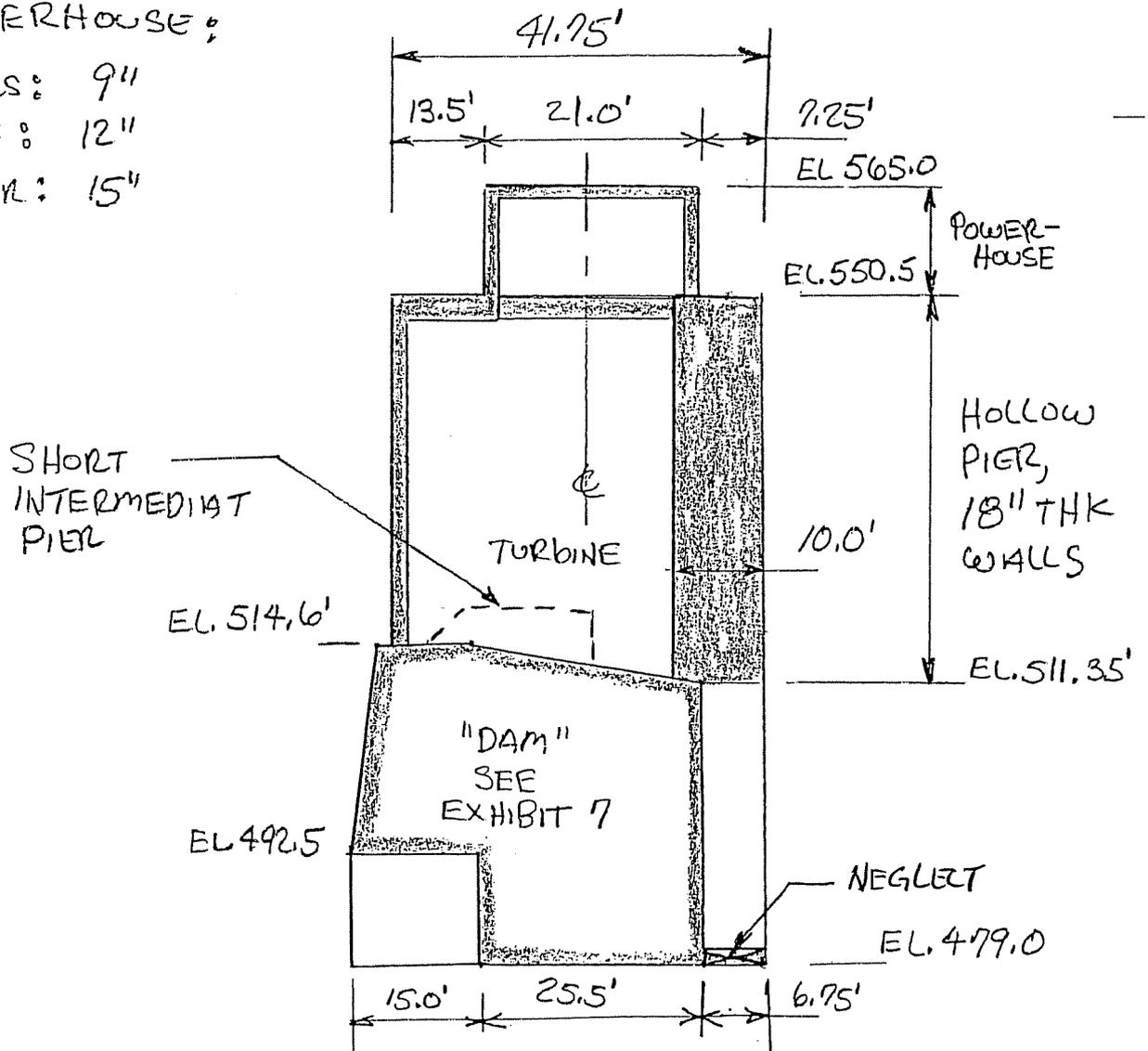
SECTION A - A

AVE. CONC. THICKNESS  
POWERHOUSE:

WALLS: 9"

ROOF: 12"

FLOOR: 15"



## EXHIBIT 8

**TABLE 1**

**SOFT ENERGY ASSOCIATES  
LOUISVILLE, KY**

**KENTUCKY LOCK & DAM No. 7  
FERC No. 539**

**STABILITY ANALYSIS****NOMENCLATURE AND ASSUMPTIONS****1. NOMENCLATURE**

Reference the Stability Analyses Summary Table(s):

V = Summation of Vertical forces

H = Summation of Horizontal forces

*HN* = Coefficient of Sliding (minimum friction factor required to provide a Sliding Factor of Safety of 1.0 using the Friction factor Method)

FS<sub>f-f</sub> = Sliding Safety Factor, Friction Factor Method

FS<sub>s-f</sub> = Sliding Safety Factor, Shear Friction Method

M+ = Resisting moments

M- = Overturning moments

M+/M- = Ratio of Resisting to Overturning Moments

M = Summation of moments

R = Location of resultant of forces from toe of structure

R% (of base) = Location of resultant from toe expressed as percentage of the base.

Values between 33.3 and 66.7 represent the middle third of the base.

**2. METHOD OF ANALYSES**

- Structures were analyzed using two dimensional limited equilibrium analyses (gravity method).

**3. LOADING CONDITIONS**

Normal Pond:

Upper Pool: El. 514.6' (msl)

Lower Pool: El. 499.3'

Flood (I and 11):

Event: 100-year, 123,850 cfs

Upper Pool: El. 551.0'

Lower Pool: El. 548.0' (assumed, hydraulic head differential reported to be insignificant)

Flood I: Includes weight of water on the crest of the dam and assumes the inside of the piers are flooded.

Flood II: Does not include the weight of water on the darn and assumes the inside of the piers are not flooded (very conservative assumptions)

Uplift:

Uplift was varied linearly from full headpond pressure at the heel to full tailwater pressure at the toe. Full headpond pressure was included across any tension zone (“cracked base”).

Tailwater Reduction:

No tailwater reduction for retrogression because for the flood loading condition, the head differential between the upper and lower pools is insignificant.

**4. UNIT WEIGHTS**

Concrete: 145 pounds per cubic foot, dry  
Sediment: 100 pounds per cubic foot, saturated  
              37.6 pounds per cubic foot, submerged  
              Coefficient of Lateral Earth Pressure,  $K_{rest} = 0.5$ .  
Water: 62.4 pounds per cubic foot  
Equipment Weights: No included

**5. REFERENCE DRAWINGS (construction)**

KYR 1-0	KYR-31 (Exhibit 3)
KYR 2-0 (Exhibit 4)	KYR 5-2
KYR 3-1	KYR 6-5
KYR 3-3 (Exhibits 5 & 6)	

**6. SLIDING FACTOR of SAFETY**

Shear Friction Method ( $FS_{s-f}$ )

$$FS_{s-f} = \frac{ffV + cA + P}{H}$$

ff = friction factor, 0.75 ( $\theta = 37^\circ$ )

c = shear strength, 0 psi

A = area of base in compression

P = sliding resistance (due to shear keys or shear piers, rock along toe), none.

**7. STRENGTH OF MATERIALS**

Compressive Strength:

Allowable bearing stress is determined by dividing the ultimate strength by the appropriate factor of safety.

Concrete: 2,500 pounds per square inch

Bedrock: Assume 5,000 psi.

## 8. SAFETY FACTORS -- High Hazard Structures

Based on guidelines and criteria established by the FERC, the recommended safety factors for a Low Hazard Structure are:

<u>Loading Condition</u>	<u>Safety Factors</u> <sup>(1)</sup>
Usual - Normal Pond	1.5 <sup>(2)</sup>
Unusual	1.25
Post - Earthquake	>1.0

(1) Per the FERC's *Engineering Guidelines for the Evaluation of Hydropower Projects*, Chapter III, October 2002.

(2) FERC's *Engineering Guidelines for the Evaluation of Hydropower Projects*, Chapter 3, Table 2A: Alternate Recommended Minimum Factors of Safety for Use in Conjunction with a No Cohesion Assumption

July 2005

Z:\1349-001 KY L&D #7\Calcs\TABLE 1 Nomenclature & Assumptions.doc

STABILITY ANALYSIS SUMMARY TABLE  
STABILITY ANALYSIS SUMMARY TABLE

Project Name: KY L&D #7  
 File Name: Z:\1349-0-1\CALCS\BASE.DAM  
 File Assembly: 07-08-2005  
 Comments : STABILITY AT BASE @ EL 479

Kleinschmidt Associates  
**DAM STABILITY 3.0**  
 Date: 07-08-2005  
 By: PAUL CYR  
 Reviewed By: .....  
 Date: .....

LOAD CASE	V (KIPS)	H (KIPS)	H/V	SLIDING S.F.	M+ (FT-K)	M- (FT-K)	M+/M-	M (FT-KIPS)	R (FT)	R (%)	BASE PRESSURE (PSI)		LENGTH TENSION ZONE
											TOE	HEEL	
FILENAME : Z:\1349-0-1\CALCS\BASE.DAM													
GRAVITY	6114.3	-320.8	0.05	14.29	140,589	-3,807	36.93	136,782	22.37	47.3	130	94	0.00
NORMAL POND	4,159.8	-1,041.3	0.25	3.00	142,938	-62,370	2.29	80,568	19.37	41.0	118	35	0.00
FLOOD I	3,110.1	-691.1	0.22	3.38	245,801	-190,291	1.29	<b>55,510</b>	17.85	37.8	99	15	0.00
FLOOD II	1,203.4	-691.1	0.57	1.31	193,612	-191,233	1.01	2,379	1.98	4.2	352	0	41.32

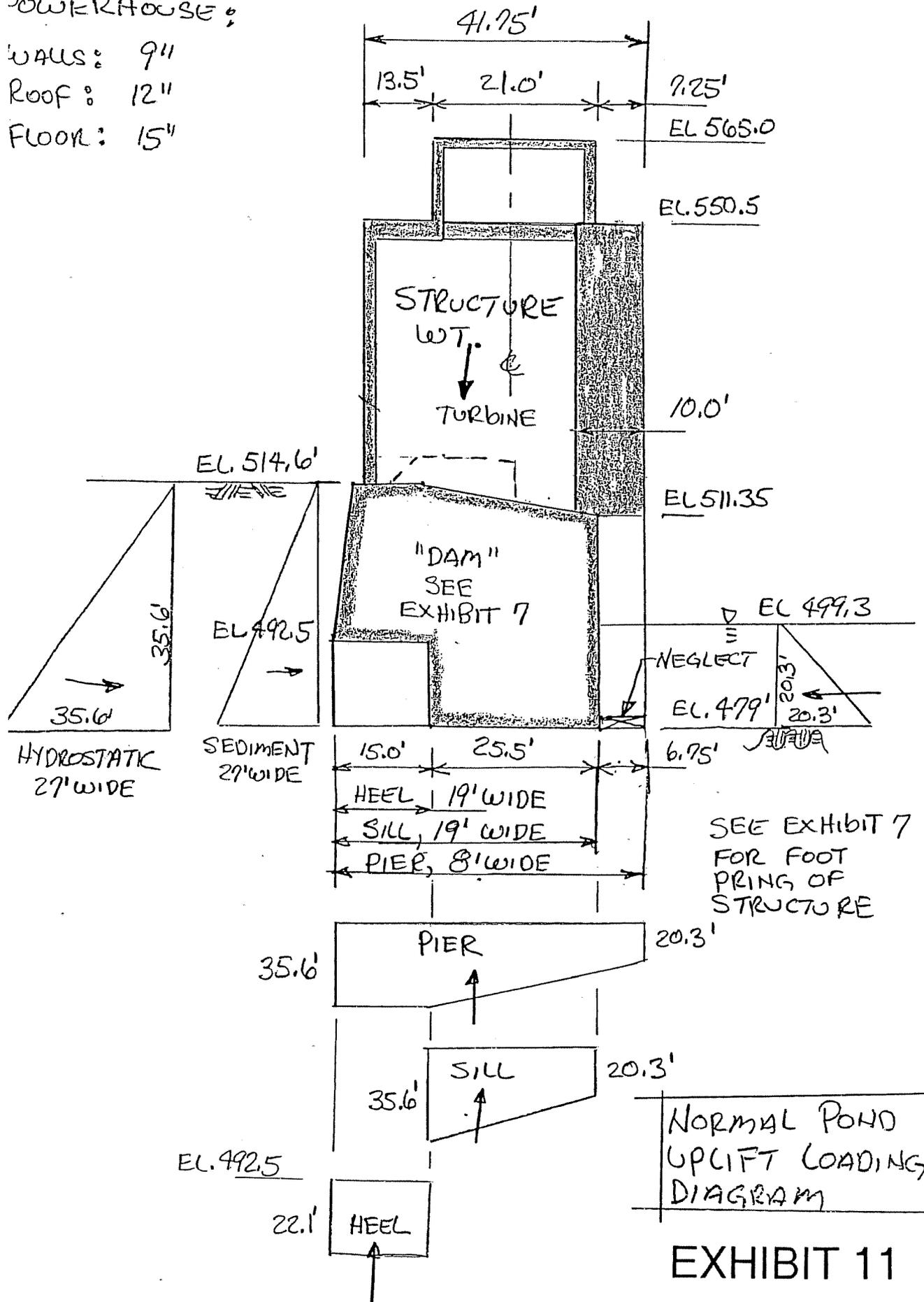
EXHIBIT 10

AVG. CONC. THICKNESS  
POWERHOUSE:

WALLS: 9"

ROOF: 12"

FLOOR: 15"



NORMAL POND  
UPLIFT LOADING  
DIAGRAM

EXHIBIT 11

Avg. CONC. THICKNESS  
TOWERHOUSE:

WALLS: 9"

Roof: 12"

FLOOR: 15"

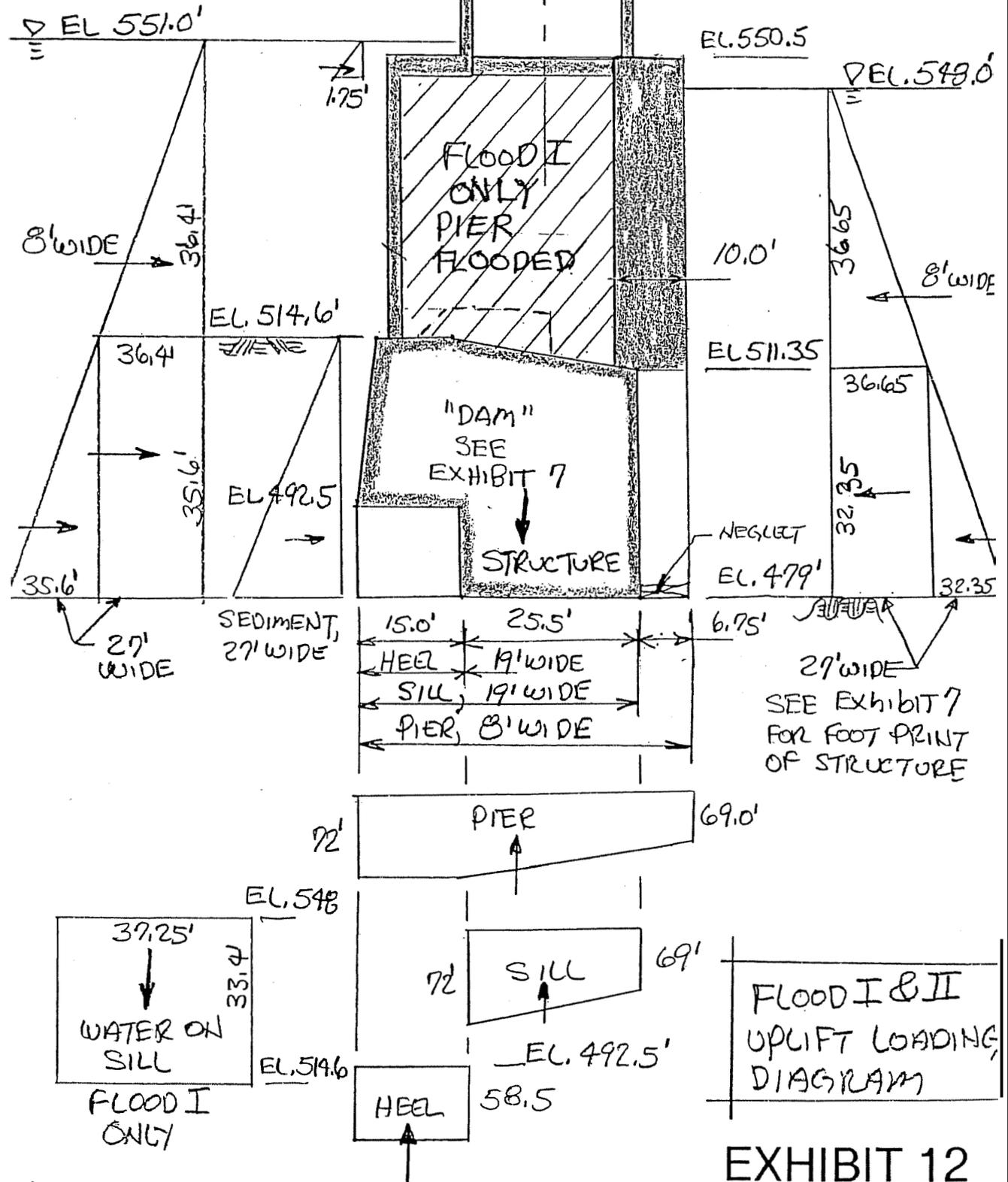


EXHIBIT 12

## Stability Analysis Calculations

**TABLE 1****SOFT ENERGY ASSOCIATES  
LOUISVILLE, KY****KENTUCKY LOCK & DAM No. 7  
FERC No. 539****STABILITY ANALYSIS****NOMENCLATURE AND ASSUMPTIONS****1. NOMENCLATURE**

Reference the Stability Analyses Summary Table(s):

V = Summation of Vertical forces

H = Summation of Horizontal forces

H/V = Coefficient of Sliding (minimum friction factor required to provide a Sliding Factor of Safety of 1.0 using the Friction factor Method)

FS<sub>f-f</sub> = Sliding Safety Factor, Friction Factor Method

FS<sub>s-f</sub> = Sliding Safety Factor, Shear Friction Method

M+ = Resisting moments

M- = Overturning moments

M+/M- = Ratio of Resisting to Overturning Moments

M = Summation of moments

R = Location of resultant of forces from toe of structure

R% (of base) = Location of resultant from toe expressed as percentage of the base.

Values between 33.3 and 66.7 represent the middle third of the base.

**2. METHOD OF ANALYSES**

- Structures were analyzed using two dimensional limited equilibrium analyses (gravity method).

**3. LOADING CONDITIONS**

Normal Pond:

Upper Pool: El. 514.6' (msl)

Lower Pool: El. **499.3'**

Flood (I and II):

Event: 100-year, 123,850 cfs

Upper Pool: El. 551.0'

Lower Pool: El. 548.0' (assumed, hydraulic head differential reported to be insignificant)

Flood I: Includes weight of water on the crest of the dam and assumes the inside of the piers are flooded.

Flood 11: Does not include the weight of water on the dam and assumes the inside of the piers are not flooded (very conservative assumptions)

Uplift:

Uplift was varied linearly from full headpond pressure at the heel to full tailwater pressure at the toe. Full headpond pressure was included across any tension zone (“cracked base”).

Tailwater Reduction:

No tailwater reduction for retrogression because for the flood loading condition, the head differential between the upper and lower pools is insignificant.

**4. UNIT WEIGHTS**

Concrete: 145 pounds per cubic foot, dry  
Sediment: 100 pounds per cubic foot, saturated  
37.6 pounds per cubic foot, submerged  
Coefficient of Lateral Earth Pressure,  $K_{rest} = 0.5$ .  
Water: 62.4 pounds per cubic foot  
Equipment Weights: No included

**5. REFERENCE DRAWINGS (construction)**

KYR 1-0	KYR-31 (Exhibit 3)
KYR 2-0 (Exhibit 4)	KYR 5-2
KYR 3-1	KYR 6-5
KYR 3-3 (Exhibits 5 & 6)	

**6. SLIDING FACTOR of SAFETY**

Shear Friction Method ( $FS_{s-f}$ )

$$FS_{s-f} = \frac{ffV + cA + P}{H}$$

ff = friction factor, 0.75 ( $0 = 37^\circ$ )

c = shear strength, 0 psi

A = area of base in compression

P = sliding resistance (due to shear keys or shear piers, rock along toe), none.

**7. STRENGTH OF MATERIALS**

Compressive Strength:

Allowable bearing stress is determined by dividing the ultimate strength by the appropriate factor of safety.

Concrete: 2,500 pounds per square inch

Bedrock: Assume 5,000 psi.

## 8. SAFETY FACTORS – High Hazard Structures

Based on guidelines and criteria established by the FERC, the recommended safety factors for a Low Hazard Structure are:

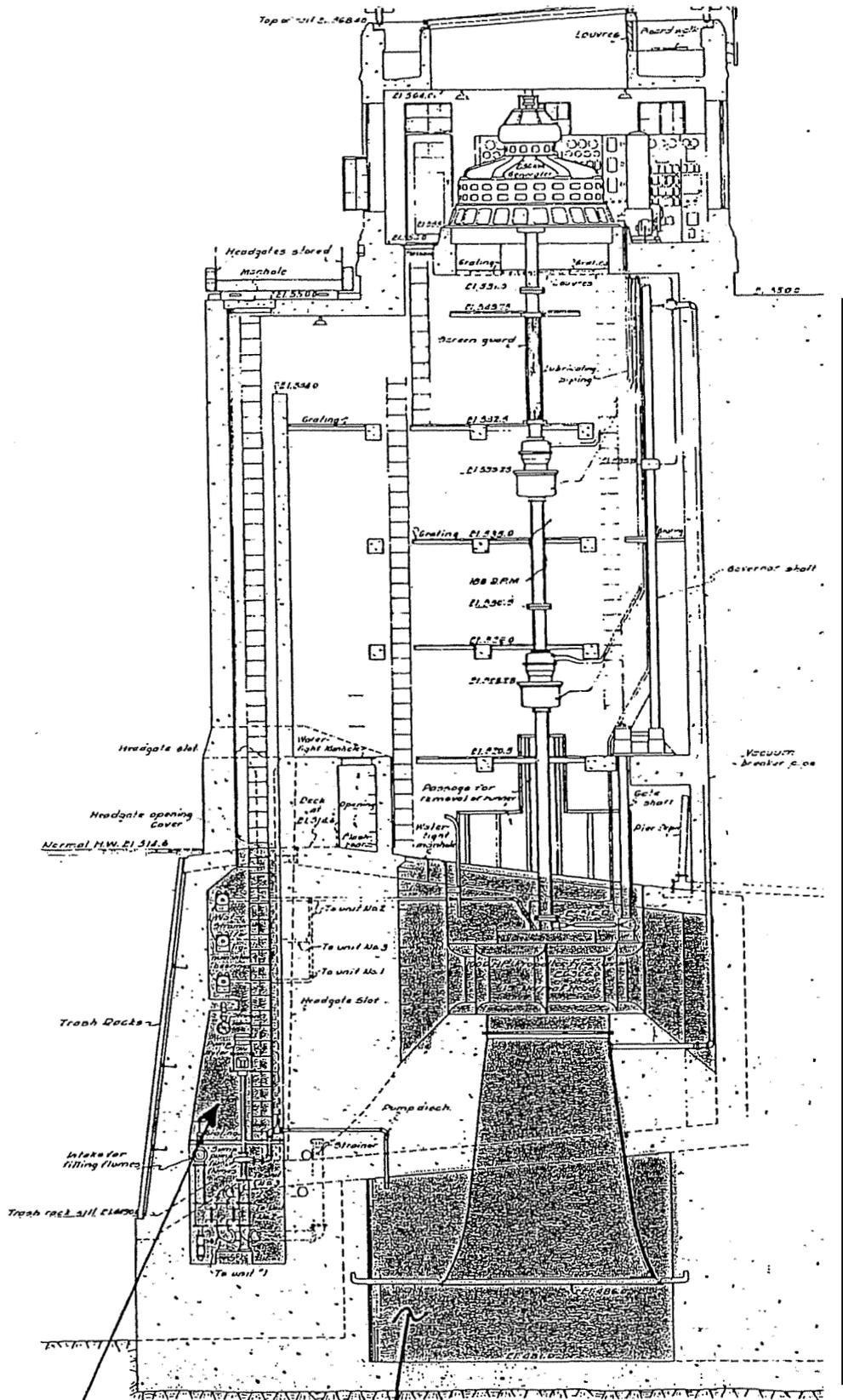
<u>Loading Condition</u>	<u>Safety Factors<sup>(1)</sup></u>
Usual - Normal Pond	1.5 <sup>(2)</sup>
Unusual	1.25
Post - Earthquake	>1.0

(1) Per the FERC's *Engineering Guidelines for the Evaluation of Hydropower Projects*, Chapter 111, October 2002.

(2) FERC's *Engineering Guidelines for the Evaluation of Hydropower Projects*, Chapter 3, Table 2A: Alternate Recommended Minimum Factors of Safety for Use in Conjunction with a No Cohesion Assumption

July 2005

Z:\1349-001 KY L&D #7\Calcs\TABLE 1.Nomenclature & Assumptions.doc



Pump pit  
within pier

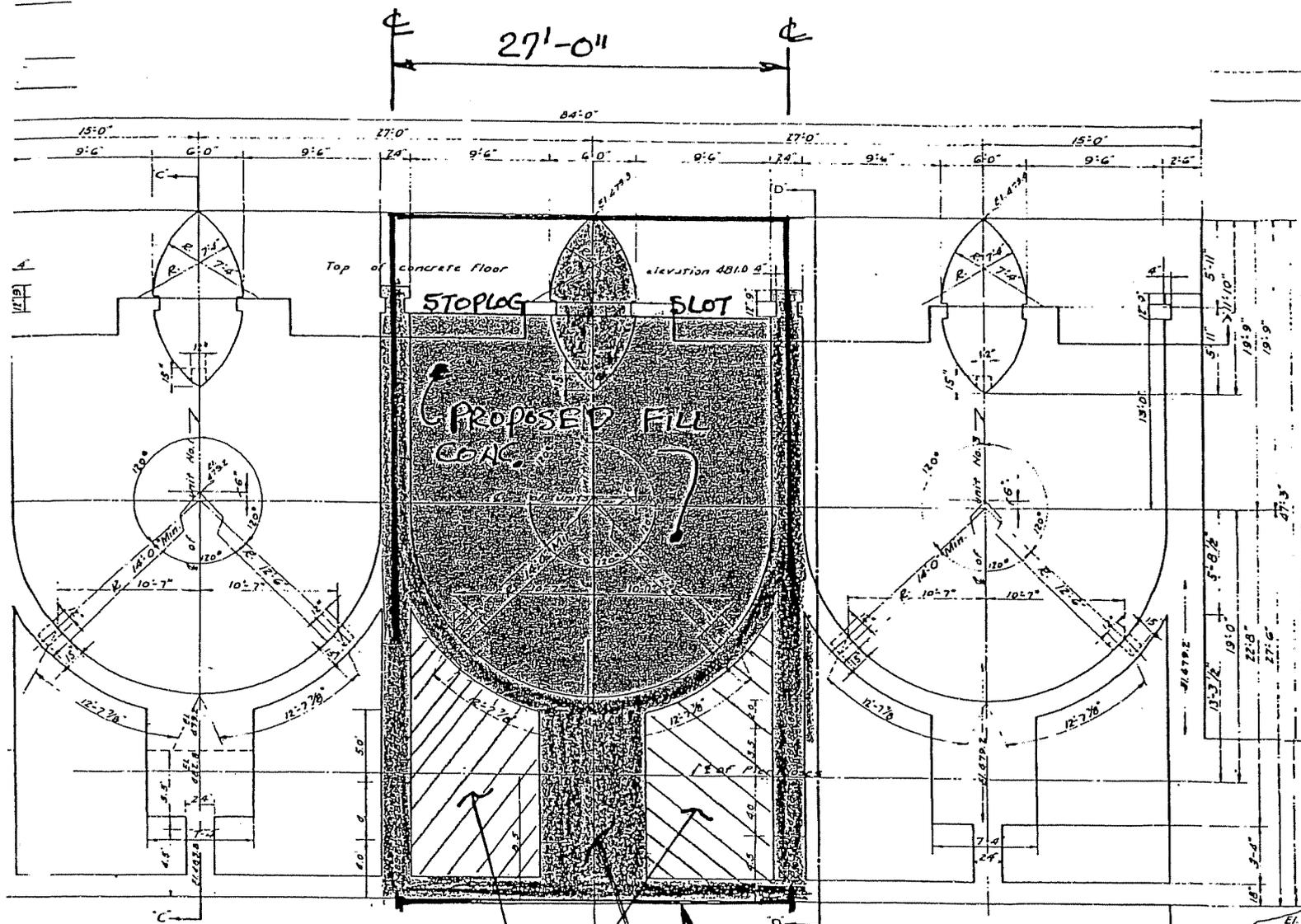
Proposed fill  
concrete

EXHIBIT "L" SHEET 3

CROSS SECTION THRU POWER HOUSE KENTUCKY RIVER-DAM NOT PROJECT	
KENTUCKY HYDRO-ELECTRIC COMPANY LOUISVILLE, KENTUCKY	
SCALE: As Shown	DRAWING NO.
DATE: June 1, 28	KYR-31
APPROVED: L. F. HARZA CONSULTING ENGINEER CHICAGO, ILL.	

FP C No. 539-14

EXHIBIT 3



SECTION OF POWER HOUSE AT ELEVATION 490.0

EXISTING ROCK OR  
EARTH FILL

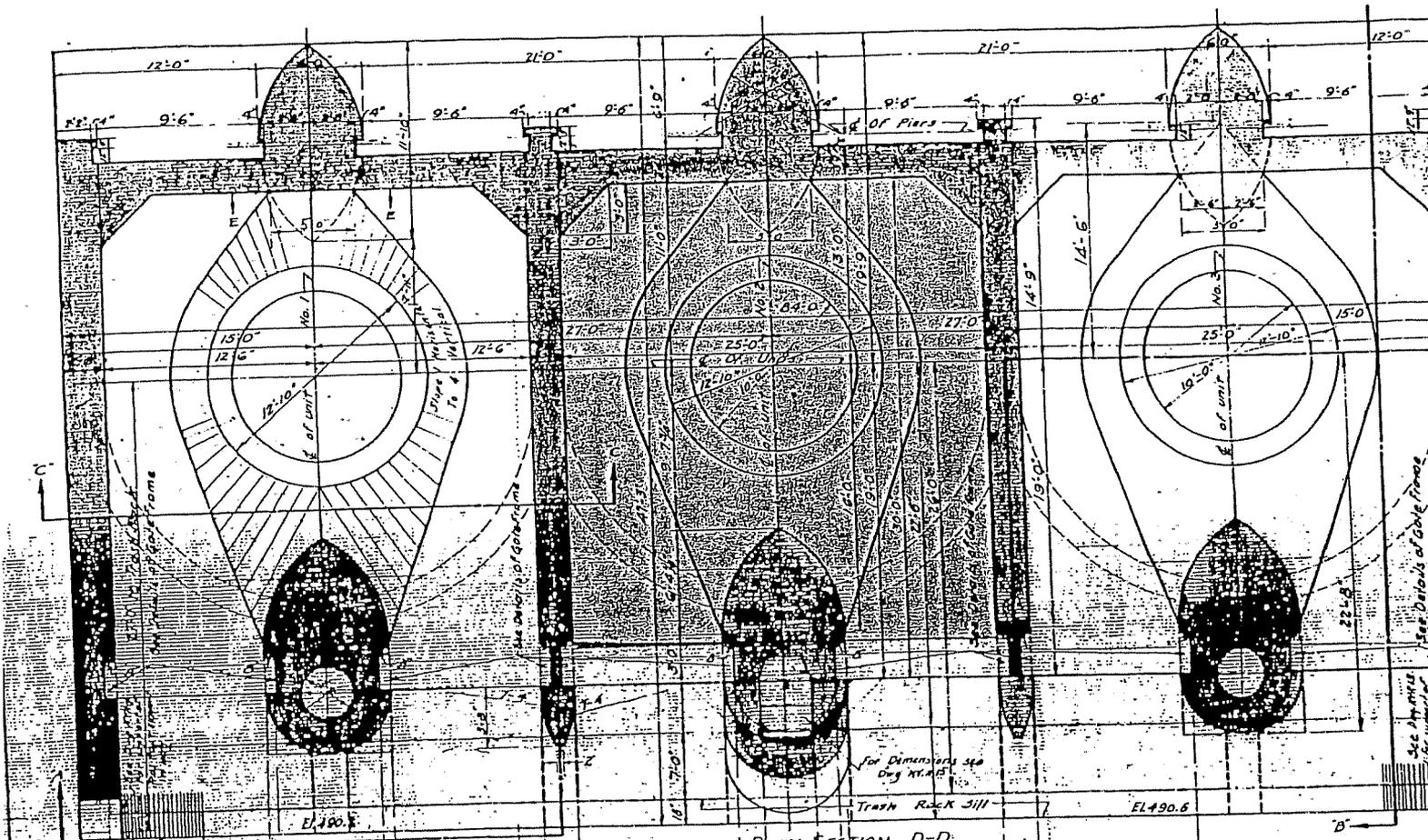
OUTLINE OF STRUCTURE  
FOR STABILITY ANALYSES

EXISTING CONCRETE

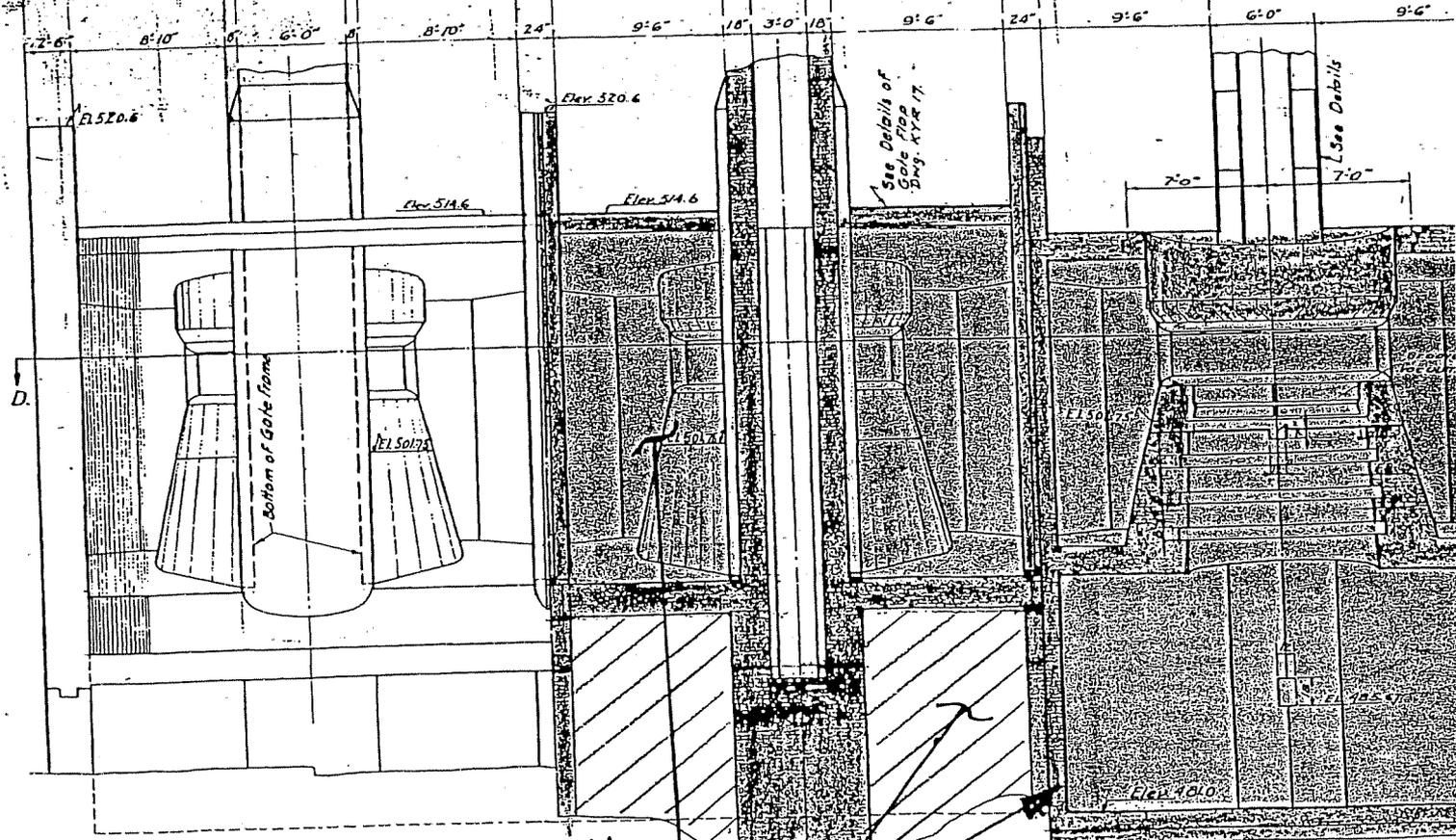
FROM DWG. KYR 2-0

EXHIBIT 4





PLAN-SECTION D-D:  
 PLAN THRU CENTER OF TURBINES  
 SCALE 1/8" = 1'-0"



PROPOSED CONCRETE FILL  
 ELEVATION - SECTION AA  
 SCALE 1/8" = 1'-0"  
 EXISTING ROCK OR EARTH FILL  
 EXISTING CONCRETE

FROM DWG KYR 3-3  
 EXHIBIT A

STABILITY ANALYSIS SUMMARY TABLE

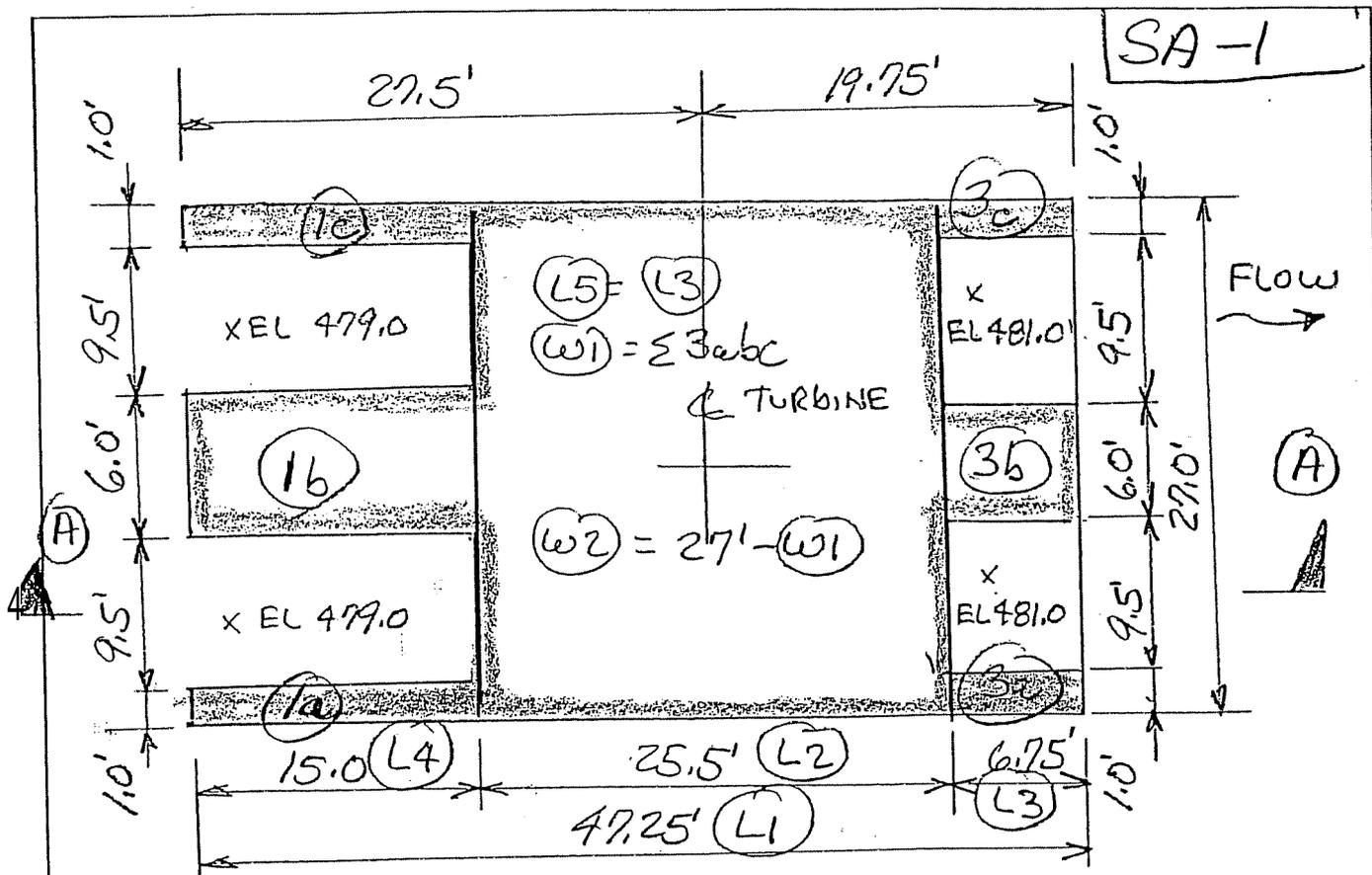
Project Name: KY L&D #7  
 File Name: Z:\1349-0-1\CALCS\BASE.DAM  
 File Assembly: 07-08-2005  
 Comments: STABILITY AT BASE @ EL 479

Kleinschmidt Associates  
 DAM STABILITY 3.0

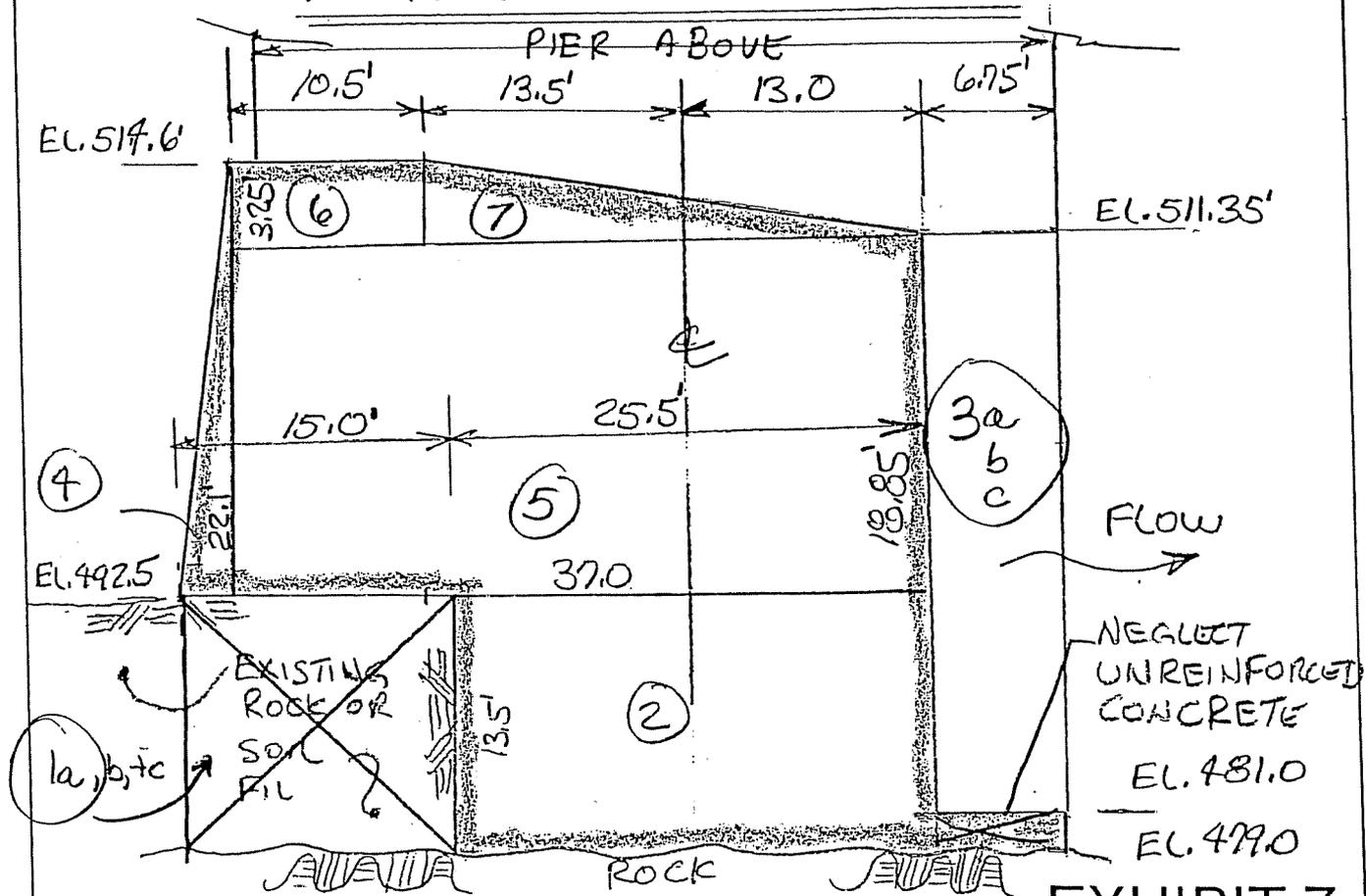
Date: 07-08-2005  
 By: PAUL CYR  
 Reviewed By:  
 Date:

LOAD CASE	V (KIPS)	H (KIPS)	H/V	SLIDING S.F.	M+ (FT-K)	M- (FT-K)	M+M- (FT-K)	M (FT-KIPS)	R (FT)	R (%)	BASE PRESSURE TOE (PSI)	HEEL (PSI)	LENGTH TENSION ZONE
GRAVITY NORMAL POND	6,114.3	-320.8	0.05	14.29	140,589	-3,807	36.93	136,782	22.27	47.3	130	94	0.00
	4,159.8	-1,041.3	0.25	3.00	142,938	-62,370	2.29	80,568	19.01	41.0	118	35	0.00
			0.22	3.38	245,801	-190,291	1.29	55,510	17.85	37.8	9	15	0.00
							1.01	2,379	1.98	4.2	2	0	0.00

FILE NAME: Z:\1349-0-1\CALCS\BASE.DAM



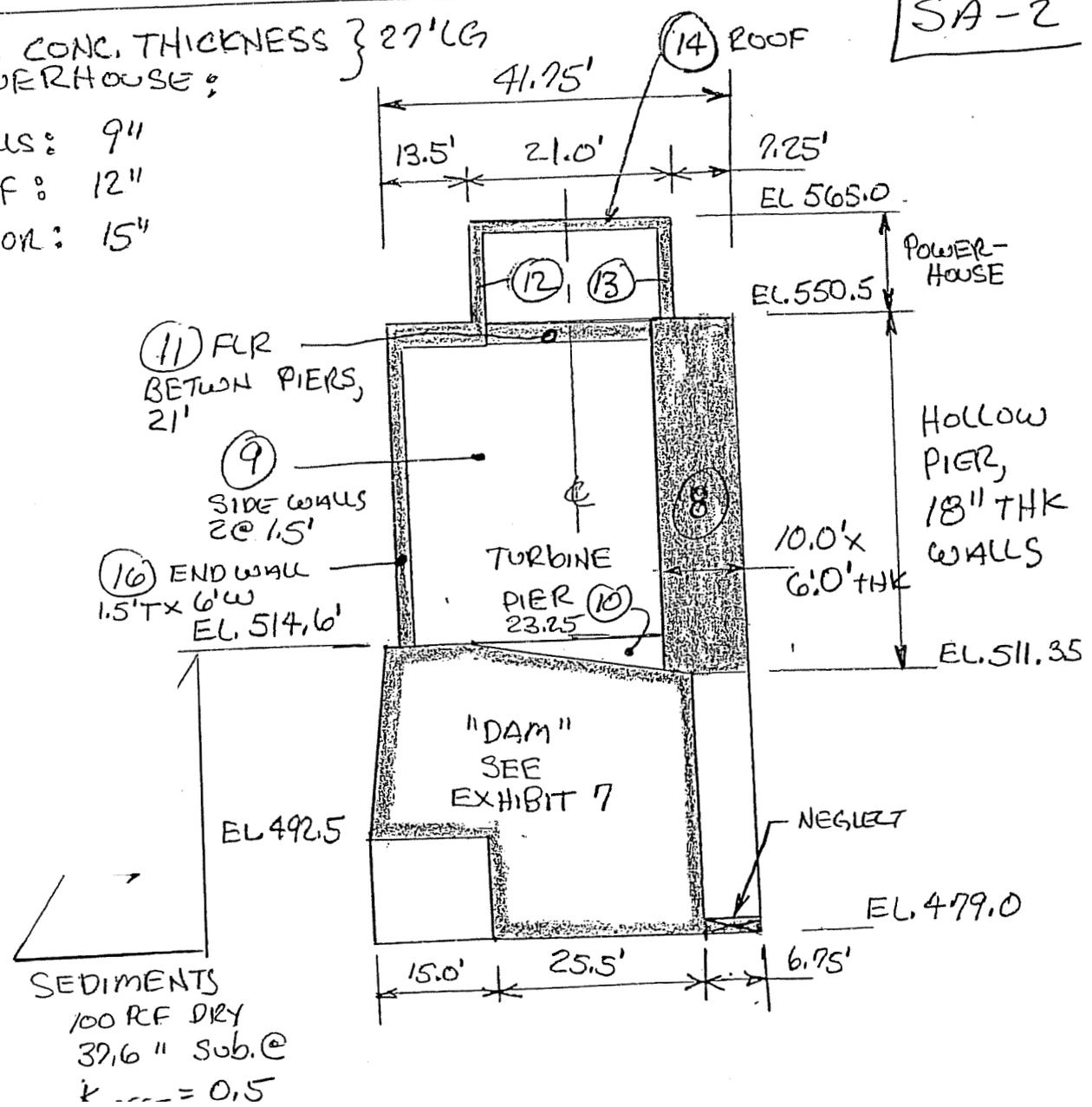
POWERHOUSE PLAN @ EL. 482.0'



SA-2

Ave. CONC. THICKNESS } 27' LG  
POWERHOUSE;

WALLS: 9"  
Roof: 12"  
FLOOR: 15"



# GRAVITY

## EXHIBIT 8

LOAD CASE 1 RESULTS - GRAVITY

SA-2.1

Project Name: KY L&D #7  
 File Name: Z:\1349-0~1\CALCS\BASE DAM  
 File Assembly: 07-08-2005  
 Comments : STABILITY AT BASE @ EL 479

Kleinschmidt Associates  
 DAM STABILITY 3.0  
 Date: 07-08-2005  
 By: *EJC*  
 Reviewed By: *BRH*  
 Date: 7-8-05

SECTION DATA - GRAVITY

ID NO.	SECTION NO.	BASE (FT)	ALTITUDE (FT)	DEPTH (FT)	UNIT WEIGHT (PCF)	SHAPE	DIRECTION	DISTANCE (FT)	FORCE (KIPS)	MOMENT (FT-KIPS)	ARM (FT)
1	1	15.00	13.50	8.00	145.00	0	V	32.25	234.9	9,337.3	39.75
2	2	25.50	13.50	27.00	145.00	0	V	6.75	1,347.7	26,280.9	19.50
3	3	6.75	32.35	8.00	145.00	0	V	0.00	253.3	854.9	3.38
4	4	3.50	22.10	27.00	145.00	1	V	43.75	151.4	6,801.0	44.92
5	5	37.00	18.85	27.00	145.00	0	V	6.75	2,730.5	68,945.5	25.25
6	6	10.50	3.25	27.00	145.00	0	V	33.25	133.6	5,143.6	38.50
7	7	26.50	3.25	27.00	145.00	2	V	6.75	168.6	4,116.4	24.42
8	8	10.00	39.15	6.00	145.00	0	V	0.00	340.6	1,703.0	5.00
9	9	30.25	35.90	3.00	145.00	0	V	10.00	472.4	11,869.0	25.13
10	10	23.25	3.25	3.00	145.00	1	V	10.00	16.4	291.7	17.75
11	11	21.00	1.25	21.00	145.00	0	V	7.25	79.9	1,418.8	17.75
12	12	0.75	14.50	27.00	145.00	0	V	27.50	42.6	1,186.8	27.88
13	13	0.75	14.50	27.00	145.00	0	V	7.25	42.6	324.6	7.63
14	14	19.50	1.00	27.00	145.00	0	V	8.00	76.3	1,355.1	17.75
15	15	35.60	35.60	27.00	-18.75	1	H	0.00	-320.8	-3,806.8	11.87
16	16	1.50	35.90	3.00	145.00	0	V	40.25	23.4	960.4	41.00

SUM OF SECTIONAL FORCES

CASE	VERTICAL FORCE (KIPS)	HORIZONTAL FORCE (KIPS)	POSITIVE MOMENT (FT-KIPS)	NEGATIVE MOMENT (FT-KIPS)
SUBTOTAL GRAVITY	6,114.35	-320.80	140,589.02	-3,806.83
TOTAL GRAVITY	6,114.35	-320.80	140,589.02	-3,806.83

LOAD CASE CONSTANTS - GRAVITY

STABILITY CASE CONSTANTS

Friction Factor, FF: **0.75**  
 Shear Friction Value, CV: **0.00** PSI

DIMENSIONAL CONSTANTS

Width, W1: **800 FT**  
 Width, W2: **19.00 FT**  
 Length, L1: **41.25 FT**  
 Length, L2: **25.50 FT**  
 Length, L3: **6.15 FT**  
 Length, L4: **15.00 FT**  
 Length, L5, uplift below L3: **47.25 FT**  
 Slope of Base, (Angle): **0.00** Degrees  
 Distance from Toe to Centerline of Base: **000 FT**

SECTIONAL CONSTANTS

Uplift Head, H1: **0.00 FT**  
 Distance Headpond to Tailwater, H2: **0.00 FT**  
 Depth of Tailwater, H3: **0.00 FT**  
 Drain Efficiency: **0.00 %**  
 Number of Sections, M: **16** Sections

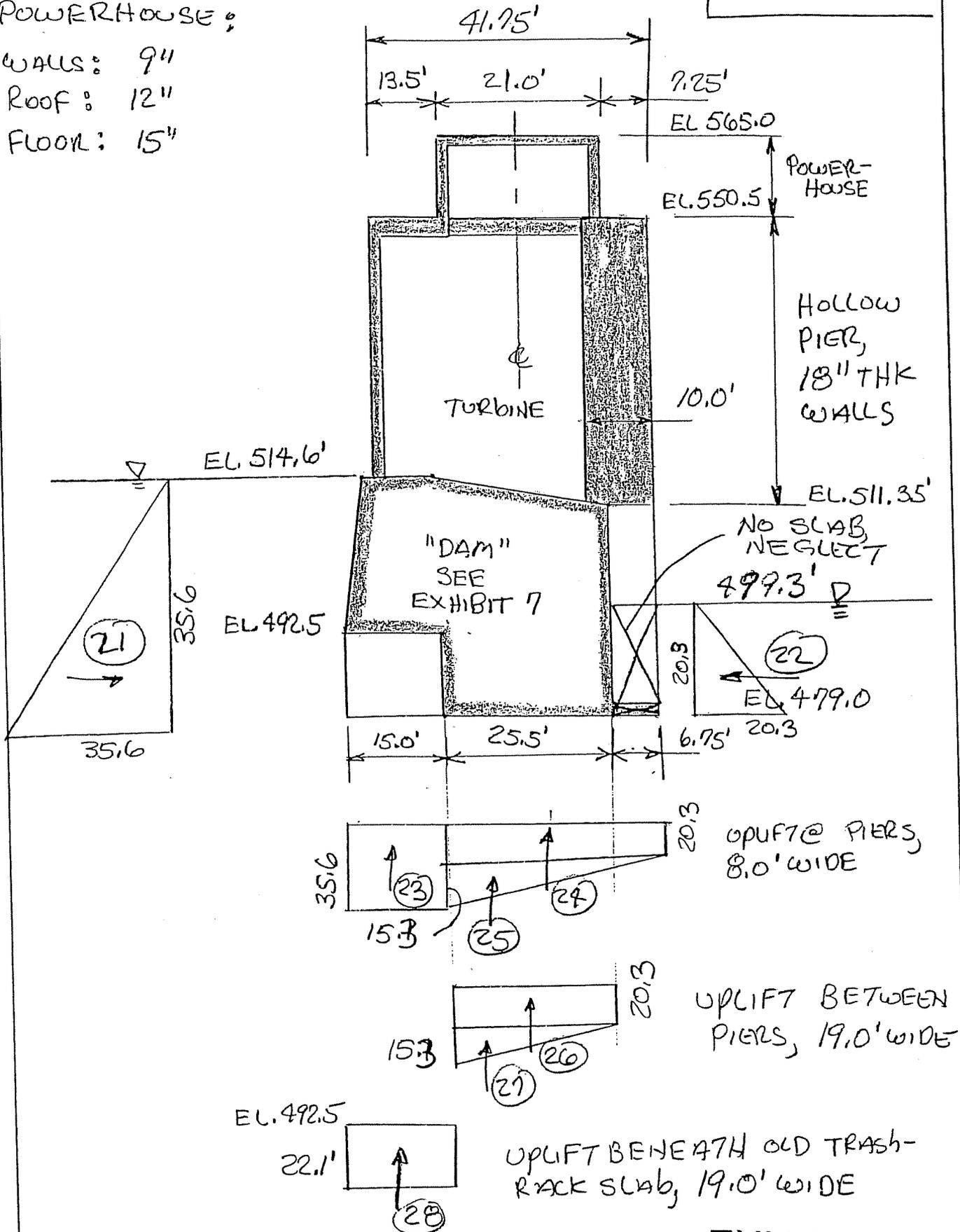
FINAL RESULTS OF STABILITY ANALYSIS - GRAVITY

V=	<b>6,114.3</b>	Kips	M+=	<b>140,589.0</b>	Ft-Kips	R(Ft)=	<b>22.4</b>	Ft from Toe
H=	<b>-320.8</b>	Kips	M-=	<b>-3,806.8</b>	Ft-Kips	R(%)=	<b>47.3</b>	% of Base
H/V=	<b>0.05</b>		SUM.M=	<b>136,782.2</b>	Ft-Kips	Toe Pressure=	<b>130.2</b>	PSI
SLIDING S F.=	<b>14.29</b>		M+/M-=	<b>36.93</b>		Heel Pressure =	<b>94.4</b>	PSI
Tension Zone=	<b>000</b>	Feet						

AVE. CONC. THICKNESS  
POWERHOUSE:

WALLS: 9"  
ROOF: 12"  
FLOOR: 15"

SA-3



# NORMAL POND

EXHIBIT 8

Kleinschmidt

LOAD CASE 2 RESULTS -NORMAL POND

SA-3.1

Project Name: KY L&D #7  
 File Name: Z:\1349-0-1\CALCS\BASE.DAM  
 File Assembly: 07-08-2005  
 Comments : STABILITY AT BASE @ EL 479  
 HP=514.6 TW=499.3

Kleinschmidt Associates  
 DAM STABILITY 3.0  
 Date: 07-08-2005  
 By: PAUL CYR  
 Reviewed By: BCY  
 Date: 7-8-05

SECTION DATA - NORMAL POND

ID NO.	SECTION NO.	BASE (FT)	ALTITUDE (FT)	DEPTH (FT)	UNIT WEIGHT (PCF)	SHAPE	DIRECTION	DIST-ANCE (FT)	FORCE (KIPS)	MOMENT (FT-KIPS)	ARM (FT)
1	21	35.60	35.60	27.00	-62.40	1	H	0.00	-1,067.6	-12,669.1	11.87
2	22	20.30	20.30	27.00	62.40	1	H	0.00	347.1	2,349.0	6.77
3	23	15.00	35.60	8.00	-62.40	0	V	32.25	-266.6	-10,596.3	39.75
4	24	32.25	20.30	8.00	-62.40	0	V	0.00	-326.8	-5,269.9	16.13
5	25	32.25	15.30	8.00	-62.40	2	V	0.00	-123.2	-2,647.9	21.50
6	26	25.50	20.30	19.00	-62.40	0	V	0.00	-613.7	-7,825.0	12.75
7	27	25.50	15.30	19.00	-62.40	2	V	0.00	-231.3	-3,931.8	17.00
8	28	15.00	22.10	19.00	-62.40	0	V	32.25	-393.0	-15,622.8	39.75

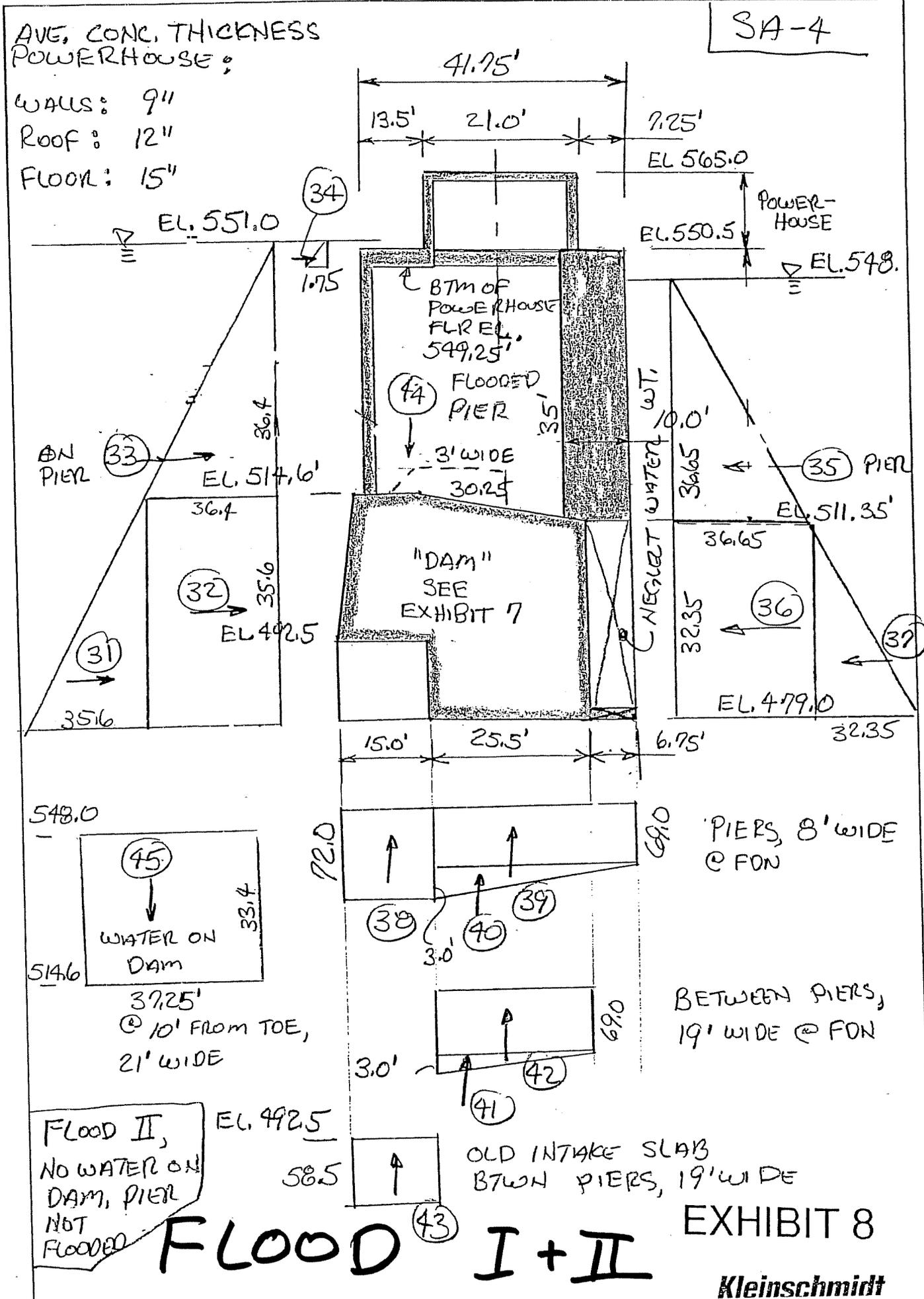
SUM OF SECTIONAL FORCES

CASE	VERTICAL FORCE (KIPS)	HORIZONTAL FORCE (KIPS)	POSITIVE MOMENT (FT-KIPS)	NEGATIVE MOMENT (FT-KIPS)
SUBTOTAL NORMAL POND	-1,954.58	-720.48	2,349.01	-58,562.78
SUBTOTAL GRAVITY	6,114.35	-320.80	140,589.03	-3,806.83
TOTAL NORMAL POND	4,159.77	-1,041.28	142,938.04	-62,369.61

AVE. CONC. THICKNESS  
POWERHOUSE:

WALLS: 9"  
Roof: 12"  
FLOOR: 15"

SA-4



LOAD CASE 4 RESULTS - FLOOD I

SA-4.1

Project Name: KY L&D #7  
 File Name: Z:\1349-0~1\CALCS\BASE DAM  
 File Assembly: 07-08-2005  
 Comments : STABILITY AT BASE @ EL 479  
 100 YR HP=551.0 TW=548.0

Kleinschmidt Associates  
**DAM STABILITY 3.0**  
 Date: 07-08-2005  
 By: *EC*  
 Reviewed By: *BPH*  
 Date: 7-8-05

SECTION DATA - FLOOD I

ID NO.	SECTION NO.	BASE (FT)	ALTITUDE (FT)	DEPTH (FT)	UNIT WEIGHT (PCF)	SHAPE	DIRECTION	DISTANCE (FT)	FORCE (KIPS)	MOMENT (FT-KIPS)	ARM (FT)
1	31	35.60	35.60	27.00	-62.40	1	H	0.00	-1,067.6	-12,669.1	11.87
2	32	35.60	36.40	27.00	-62.40	0	H	0.00	-2,183.2	-38,861.5	17.80
3	33	36.40	36.40	6.00	-62.40	1	H	35.60	-248.0	-11,839.4	47.73
4	34	1.75	1.75	21.00	-62.40	1	H	70.25	-2.0	-142.1	70.83
5	35	36.65	36.65	6.00	62.40	1	H	32.35	251.5	11,206.3	44.57
6	36	32.35	36.65	27.00	62.40	0	H	0.00	1,997.5	32,310.3	16.18
7	37	32.35	32.35	27.00	62.40	1	H	0.00	881.6	9,506.5	10.78
8	38	15.00	72.00	8.00	-62.40	0	V	32.25	-539.1	-21,430.7	39.75
9	39	32.25	69.00	8.00	-62.40	0	V	0.00	-1,110.8	-17,912.4	16.13
10	40	32.25	3.00	8.00	-62.40	2	V	0.00	-24.1	-519.2	21.50
11	41	25.50	3.00	19.00	-62.40	2	V	6.75	-45.3	-1,077.0	23.75
12	42	25.50	69.00	19.00	-62.40	0	V	6.75	-2,086.1	-40,678.2	19.50
13	43	15.00	58.50	19.00	-62.40	0	V	32.25	-1,040.4	-41,354.5	39.75
14	44	32.25	35.00	3.00	62.40	0	V	10.00	211.3	5,520.3	26.13
15	45	37.25	33.40	21.00	62.40	0	V	10.00	1,630.3	46,668.3	28.63

SUM OF SECTIONAL FORCES

CASE	VERTICAL FORCE (KIPS)	HORIZONTAL FORCE (KIPS)	POSITIVE MOMENT (FT-KIPS)	NEGATIVE MOMENT (FT-KIPS)
SUBTOTAL FLOOD I	-3,004.27	-370.31	105,211.70	-186,484.20
SUBTOTAL GRAVITY	6,114.35	-320.80	140,589.02	-3,806.83
<b>TOTAL FLOOD I</b>	<b>3,110.08</b>	<b>-691.11</b>	<b>245,800.73</b>	<b>-190,291.00</b>

## LOAD CASE CONSTANTS • FLOOD I

SA-4.2

## STABILITY CASE CONSTANTS

Friction Factor, FF:	0.75	
Shear Friction Value, CV:	0.00	PSI

## DIMENSIONAL CONSTANTS

Width, W1:	8.00	FT
Width, W2:	19.00	FT
Length, L1:	4725	FT
Length, L2:	25.50	FT
Length, L3:	675	FT
Length, L4:	1500	FT
Length, L5, uplift below L3:	47.25	FT
Slope of Base, (Angle):	0.00	Degrees
Distance from Toe to Centerline of Base:	0.00	FT

## SECTIONAL CONSTANTS

Uplift Head, HI:	300	FT
Distance Headpond to Tailwater, H2:	6600	FT
Depth of Tailwater, H3:	33.00	FT
Drain Efficiency	000	%
Number of Sections, M:	15	Sections

## FINAL RESULTS OF STABILITY ANALYSIS • FLOOD I

V=	3,110.1	Kips	M+=	245,800.7	Ft-Kips	R(Ft)=	17.8	Ft from Toe
H=	-691.1	Kips	M-=	-190,291.0	Ft-Kips	R(%)=	37.8	% of Base
H/V=	0.22		SUM.M=	55,509.7	Ft-Kips	Toe Pressure=	99.0	PSI
SLIDING S.F.=	3.38		M+/M-=	1.29		Heel Pressure.=	15.2	PSI
Tension Zone=	0.00	Feet						

LOAD CASE 5 RESULTS - FLOOD II

SA-43

Project Name: KY L&D #7  
 File Name: Z:\1349-0-1\CALCS\BASE.DAM  
 File Assembly: 07-08-2005  
 Comments : STABILITY AT BASE @ EL 479

Kleinschmidt Associates  
 DAM STABILITY 3.0  
 Date: 07-08-2005  
 By: *REL*  
 Reviewed By:  
 Date: *7-8-05*

100 YR HP=551.0 TW=548.0 NO WATER ON DAM PIER NOT FLOODED

SECTION DATA - FLOOD II

ID NO.	SECTION NO.	BASE (FT)	ALTITUDE (FT)	DEPTH (FT)	UNIT WEIGHT (PCF)	SHAPE	DIRECTION	DIST-ANCE	FORCE (KIPS)	MOMENT (FT-KIPS)	ARM (FT)
1	31	35.60	35.60	27.00	-62.40	1	H	0.00	-1,067.6	-12,669.1	11.87
2	32	35.60	36.40	27.00	-62.40	0	H	0.00	-2,183.2	-38,861.5	17.80
3	33	36.40	36.40	6.00	-62.40	1	H	35.60	-248.0	-11,839.4	47.73
4	34	1.75	1.75	21.00	-62.40	1	H	70.25	-2.0	-142.1	70.83
5	35	36.65	36.65	6.00	62.40	1	H	32.35	251.5	11,206.3	44.57
6	36	32.35	36.65	27.00	62.40	0	H	0.00	1,997.5	32,310.3	16.18
7	37	32.35	32.35	27.00	62.40	1	H	0.00	881.6	9,506.5	10.78
8	38	15.00	72.00	8.00	-62.40	0	V	32.25	-539.1	-21,430.7	39.75
9	39	32.25	69.00	8.00	-62.40	0	V	0.00	-1,110.8	-17,912.4	16.13
10	40	32.25	3.00	8.00	-62.40	2	V	0.00	-24.1	-519.2	21.50
11	41	25.50	3.00	19.00	-62.40	2	V	6.75	-45.3	-1,077.0	23.75
12	42	25.50	69.00	19.00	-62.40	0	V	6.75	-2,086.1	-40,678.2	19.50
13	43	15.00	58.50	19.00	-62.40	0	V	32.25	-1,040.4	-41,354.5	39.75
14	44	32.25	35.00	3.00	0.00	0	V	10.00	0.0	0.0	26.13
15	45	37.25	33.40	21.00	0.00	0	V	10.00	0.0	0.0	28.63

SUM OF SECTIONAL FORCES

CASE	VERTICAL FORCE (KIPS)	HORIZONTAL FORCE (KIPS)	POSITIVE MOMENT (IT-KIPS)	NEGATIVE MOMENT (FT-KIPS)
SUBTOTAL FLOOD II	-4,845.91	-370.31	53,023.12	-186,484.20
SUBTOTAL GRAVITY	6,114.35	-320.80	140,589.02	-3,806.83
<b>TOTAL FLOOD II</b>	<b>1,268.44</b>	<b>-691.11</b>	<b>193,612.15</b>	<b>-190,291.00</b>

## LOAD CASE CONSTANTS - FLOOD II

## STABILITY CASE CONSTANTS

Friction Factor, FF:	0.75	
Shear Friction Value, CV:	0.00	PSI

## DIMENSIONAL CONSTANTS

Width, W1:	<b>800</b>	FT
Width, W2:	19.00	FT
Length, <b>L1</b> :	47.25	<b>FT</b>
Length, L2:	25.50	<b>FT</b>
Length, L3:	6.75	FT
Length, L4:	15.00	FT
Length, L5, uplift below 1.3:	41.25	<b>FT</b>
Slope of Base, (Angle):	0.00	Degrees
Distance from Toe to Centerline of Base:	0.00	FT

## SECTIONAL CONSTANTS

Uplift Head, H1:	<b>3.00</b>	FT
Distance Headpond to Tailwater, H2:	66.00	FT
Depth of Tailwater, H3:	33.00	FT
Drain Efficiency	0.00	%
Number of Sections, <b>M</b> :	15	Sections

## FINAL RESULTS OF STABILITY ANALYSIS - FLOOD II

THE FINAL RESULTS HAVE BEEN ADJUSTED FOR  
FULL HEADPOND UPLIFT IN THE TENSION ZONE

V=	1,203.4	Kips	<b>M+=</b>	193,612.1	Ft-Kips	R(Ft)=	2.0	Ft from Toe
H=	-691.1	Kips	<b>M=-</b>	-191,233.4	Ft-Kips	R(%)=	4.2	% of Base
H/V=	0.57		SUM.M=	2,378.7	Ft-Kips	Toe Pressure=	352.3	PSI
SLIDING S F=	1.31		M+/M=-	1.01		Heel Pressure.=	0.0	PSI
Tension Zone=	41.32	Feet						





**Exhibit F**  
**KRA Letter of Support**



**COMMONWEALTH OF KENTUCKY**

**Ernie Fletcher**  
Governor

KENTUCKY RIVER AUTHORITY  
70 WILKINSON BOULEVARD  
FRANKFORT, KENTUCKY 40601  
OFFICE (502) 564-2866  
FAX (502) 564-2681  
KRA.kv.gov

**STEPHEN REEDER**  
Executive Director

**MICHAEL D. MILLER**  
Chairman

September 6, 2005

Mr. John P. Malloy  
Director, Generation Services  
Kentucky Utilities Company  
220 West Main Street  
Louisville, KY 40202

Mr. Hossein Ildari  
Federal Energy Regulatory Commission  
888 First Street, N.E.  
Washington, DC 20426

RE: Kentucky River Authority position on transfer of Federal Energy Regulatory Commission Hydropower License for Kentucky River Lock 7 Hydroelectric Facility.

Dear Sirs:

The purpose of this letter is to state the position of the Kentucky River Authority (KRA) in regard to a proposal to transfer the Federal Energy Regulatory Commission (FERC) Hydropower License for the Lock 7 Hydroelectric Facility (Lock 7) from Kentucky Utilities Company (KU) to a new transferee who would renovate and operate the Lock 7 plant.

At this time, the Kentucky River Lock and Dam 7 is owned by the U.S. Army Corps of Engineers (ACOE) and leased to the KRA. However it is anticipated that in the near future that KRA will take possession of the land and the Lock and Dam structure from the ACOE.

The KRA has the responsibility of managing and maintaining all fourteen lock and dams on the Kentucky River as they relate to the water supply, drought response, navigation, safety and other public interests. Therefore, the integrity of the dam, in both the short term and long term is of critical importance to the KRA. The KRA has adopted

a policy regarding the use of any of the fourteen dams for hydroelectric power. This policy contains a list of criteria (attached) that must be addressed to the satisfaction of the KRA before we would grant the use of the dam for hydroelectric power generation.

My staff and I have met numerous of times with representatives of KU to discuss the proposed transfer of FERC license for Lock 7 from KU to a potential transferee and the timing of the proposed transfer of land and structures fi-om the ACOE to the KRA.

To ensure that the rights and obligations of **all** parties are well understood, the KRA intends that a lease/sublease agreement between a new transferee and the KRA be executed. Before the transfer of ownership of the Lock and Dam and appurtenant properties from the ACOE to the KRA takes place, the KRA has the authority to sublease the property necessary to ensure compliance with all applicable state laws, subject to approval by the ACOE and the Kentucky Finance and Administration Cabinet, for a new transferee to rehabilitate and operate the power plant. During the period before the transfer of property from the ACOE to the KRA, the agreement will serve as a sublease between the KRA and a new transferee. At the point in time when ownership of the lock and dam property is transferred from the ACOE to the KRA, a lease agreement incorporating the same terms as the sublease must be executed between the KRA and the new transferee subject to approval by the Kentucky Finance and Administration Cabinet. It must also be pointed out that upon the transfer of the Lock and Dam 7 property fi-om ACOE to KRA, a lease agreement would be required under state law even if the current license holder, KU, continued to operate the facility.

In conclusion, the KRA has enjoyed a positive relationship with KU for many years regarding the operation of the Lock 7 hydropower facility at the Kentucky River Lock and **Dam** 7. The KRA intends that should FERC approve the license transfer from KU to a new transferee that any agreement between a new transferee and the KRA will result in the continued favorable management of the Kentucky River Basin. We also request that the KRA be copied on any correspondence, communications and documents between FERC, KU and the new transferee on the proposed transfer.

Sincerely,

A handwritten signature in black ink, appearing to read 'Stephen Reeder', written in a cursive style.

Stephen Reeder  
Executive Director

## CONDITIONS AND ELEMENTS OF HYDRO POWER PERMITS ISSUED BY THE KENTUCKY RIVER AUTHORITY

The following conditions for obtaining permits to operate hydro facilities on or in proximity to Kentucky River Lock and Dams and elements of such permits were adopted by the Finance and Legal Affairs Subcommittee on September 2, 2004 and were reviewed by the Kentucky River Authority at meeting #116 on November 17, 2004.

1. Applicants for permits must first obtain a license to operate hydro plants from the Federal Energy Regulatory Commission.
2. Applicants must post a bond in the amount determined by the Kentucky River Authority required to return the lock and dam to its condition prior to installation of the hydro plant, including demolition and removal cost.
3. Applicants are required to underwrite the cost to the Authority to obtain an engineering assessment to determine the structural capability of the lock and dam to accommodate an operate a hydro plant at that particular location.
4. The hydro plant shall be operated according to standards established by the Kentucky River Authority including but not limited to (1) operating the plant in what is known as a run-of-river mode for the protection of fish and wildlife resources in the Kentucky River, (2) operation to minimize the fluctuation of the reservoir surface elevation by maintaining a discharge from the plant so that any point in time flows measured immediately down stream from the plant approximate the sum of in-flows to the plant reservoir and (3) not operating during periods of low flow when determined by the Executive Director of the Kentucky River Authority.
5. There shall be no transfer of ownership or operation of the hydro plant without the permission of the Kentucky River Authority.
6. A new permit will be required upon any transfer of ownership or operation to another party.
7. All permits for hydro facilities will be reviewed and approved by official action of the board of the Kentucky River Authority.



**Exhibit G**  
**Shakertown - Access Easement and Road Maintenance Agreement**

## DEED OF EASEMENT

This DEED OF EASEMENT made and entered into this the \_\_\_ day of October, **2005**, by and between SHAKERTOWN AT PLEASANT HILL KENTUCKY, INC., a corporation created and existing under the laws of the Commonwealth of Kentucky, with its principal place of business being **3501** Lexington Road, Harrodsburg, Mercer County, Kentucky, **40330**, Party of the First Part, and LOCK 7 HYDRO PARTNERS, LLC, a limited liability company created and existing under the laws of the Commonwealth of Kentucky, with its principal place of business being **414** South Wenzel Street, Louisville, Kentucky **40204**, Party of the Second ~~Part~~;

### WITNESSETH:

That for **ONE DOLLAR (\$1.00)**, and other good and valuable consideration, the receipt of which is hereby acknowledged, the party ~~of~~ the First ~~Part~~ hereby gives, grants and conveys unto the Party of the Second Part, its successors and assigns forever, a Deed of Easement for the purpose of ingress and egress. The said easement of ingress and egress shall be upon and across the property **known** as Shaker River Landing Road and the Palisades Trail. The Shaker River Landing Road is more particularly described as follows:

Being a tract of real property approximately fourteen ( **14**) feet in width, beginning at east edge of U .S. 68; thence, eastwardly as the said road meanders approximately one mile to the west edge of the Kentucky River. This easement is on what is known as Shaker River Landing Road, and is a part of the same property conveyed to Shakertown at Pleasant Hill, Kentucky, Inc. by Deed of Conveyance from Virgil Houp and Christine Houp, husband and wife. Said deed is dated the 1 SI day of July, **1964**, and appears of record in Deed Book **154**, page **546**, in the Mercer County Clerk's Office.

The Palisades Trail is more particularly described as follows:

Being a tract of real property approximately eight ( 8) ~~feet~~ in width, beginning at north edge of Shaker River Landing Road near its east terminus at the Kentucky River; thence, northwardly as the said foot path meanders approximately six-tenths of a one mile to the Lock 7 Hydroelectric Plant Substation. This easement is on what is known as the Palisades Trail, and is a part of the same property conveyed to Shakertown at Pleasant Hill, Kentucky, Inc. by Deed of Conveyance from Virgil Houp and Christine Houp, husband and wife. Said deed is dated the 1<sup>st</sup> day of July, **1964**, and appears of record in Deed Book **154**, page **546**, in the Mercer County Clerk's Office.

TO HAVE AND TO HOLD the above described EASEMENT, together with all the appurtenances thereunto belonging, unto the Party of the Second ~~Part~~, its successors or assigns, forever, with Covenant of General Warranty.

IN TESTIMONY WHEREOF, witness the hand of the party of the First Part, this the day and year first above written,

SHAKERTOWN AT PLEASANT HILL,  
by and through Madge B. Adams, Pres.  
and Chief Executive Officer : ,

COMMONWEALTH OF KENTUCKY) )  
COUNTY OF MERCER ) )

I, \_\_\_\_\_ a Notary Public in and for the county and state aforesaid, do certify that the foregoing DEED OF EASEMENT was this day signed and acknowledged before me by SHAKERTOWN A T PLEASANT HILL, by and through Madge B. Adams, Pres. and Chief Executive Officer, this \_\_\_\_\_ day of October, 2005,

My Commission expires: \_\_\_\_\_

NOTARY PUBLIC, STATE-AT-LARGE, KY

This **ROAD MAINTENANCE AGREEMENT** made and entered into this the \_\_\_\_ day of October, 2004, by and between **SHAKERTOWN AT PLEASANT HILL KENTUCKY, INC.**, a corporation created and existing under the laws of the Commonwealth of Kentucky, with its principal place of business being 3501 Lexington Road, Harrodsburg, Mercer County, Kentucky, 40330, **Party** of the **First Part**, and **LOCK 7 HYDRO PARTNERS, LLC**, a limited liability company created and existing under the laws of the Commonwealth of Kentucky, with its principal place of business being 414 South Wenzel Street, Louisville, Kentucky 40204, **Party** of the **Second Part**;

**WITNESSE II**

The Party of the First Part are the owners of a private road now known as Shaker River Landing Road. The said road being approximately 14 feet in width and one mile in length leading from the east edge of U.S. 68 to the west edge of river.

Whereas, the Party of the Second Part has an easement above and across the said road, using the said road for the purpose of accessing its hydroelectric station.

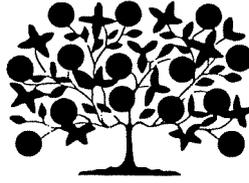
Whereas, there are other parties that use the said road.

It is agreed by and between the Party of the First Part and the Party of the Second Part, that the Party of the Second Part shall pay to the Party of the First ~~Part~~ \$1290.75 for their proportion of maintenance on the road. The proportionate amount to be paid by the Party of the Second Part will be adjusted each year in July. The ~~first~~ adjustment being due on July 1, 2006. The amount of the annual adjustment will be in accordance with the Kentucky Department of Local Government calculations, which are provided by the second Friday in February of each year. These calculations are based on the Consumer Price Index maintained and reported by the U .S. Department of Labor, Bureau of Labor Statistics.





**Exhibit H**  
**Shakertown Letter of Intent**



**SHAKER VILLAGE OF PLEASANT HILL**

3501 Lexington Road

Harrodsburg, Kentucky 40330-8846

(859) 734-5411 • Fax (859) 734-7278

[www.shakervillageky.org](http://www.shakervillageky.org)

September 2, 2005

Mr. David Brown Kinloch  
Lock 7 Hydro Partners, LLC  
414 S. Wenzel Street  
Louisville, Kentucky 40204

RE: Easement and Road Maintenance Agreement  
For the Lock No. 7 Hydroelectric Facility

Dear Mr. Brown Kinloch:

The purpose of this letter is to declare the willingness of Shakertown at Pleasant Hill, Kentucky, Inc., (“Shakertown”) to grant an Easement to Lock 7 Hydro Partners, LLC (“L7HP”) upon entering into a Road Maintenance agreement with Shakertown, in order to gain access to the Lock No. 7 Hydroelectric Facility (“Lock7”) for rehabilitation and ongoing maintenance.

The Lock 7 plant is only accessible by land through properties owned by Shakertown. Specifically, the Lock 7 plant can be reached by traveling Shaker River Landing Road and the Palisades Trail, both of which are owned by Shakertown.

In order for L7HP to access the Lock 7 plant to perform the rehabilitation and ongoing maintenance, L7HP will need to cross these properties owned by Shakertown. To ensure access to the Lock 7 plant, L7HP and Shakertown have prepared a Deed of Easement and a corresponding Road Maintenance Agreement, which are attached. After the Federal Energy Regulatory Commission has transferred the Hydropower License for the Lock 7 plant from Kentucky Utilities to L7HP, and L7HP takes ownership of the Lock 7 plant from Kentucky Utilities, Shakertown agrees to grant the attached Easement to L7HP, upon condition that L7HP also signs the attached Road Maintenance Agreement to contribute its share of the cost to maintain the Shaker River Landing Road.

Sincerely,

Madge B. Adams  
President and CEO



**Exhibit I**  
**Renovation and Operation Rudget**

**LOCK 7 RENOVATION PROJECT**

<b>PROJECT COST</b>	<b>Total Cost</b>	<b>Material cost</b>	<b>SHLA Labor Hours</b>	<b>SHLA Labor</b>	<b>Other Labor / Services</b>
			Labor Rate =	\$40.00	per hour
<b>PHASE 1 - 2005</b>					
Turbine Guide Bearings Unit 3	\$25,800	\$9,000	320	\$12,800	\$4,000
Small Boat	\$5,000	\$5,000		\$0	\$0
Log Boom	\$13,800	\$8,000	120	\$4,800	\$1,000
Update Plant Controls / Metering	\$26,000	\$5,000	400	\$16,000	\$5,000
FERC Required Repairs	\$35,000	\$9,000	650	\$26,000	\$0
Repair Roof and Broken Windows	\$9,000	\$1,000	200	\$8,000	\$0
Prepare Generator 3 for Operation	\$18,600	\$4,000	240	\$9,600	\$5,000
<b>PHASE 1 COSTS</b>	<b>\$133,200</b>	<b>\$41,000</b>		<b>\$77,200</b>	<b>\$15,000</b>
15% Contingency	\$19,980	\$6,150		\$11,580	\$2,250
<b>TOTAL PHASE 1</b>	<b>\$153,180</b>	<b>\$47,150</b>		<b>\$88,760</b>	<b>\$17,250</b>
<b>PHASE 2 - 2006</b>					
Truckable Boat	\$20,000	\$20,000		\$0	\$0
Work Barge	\$10,000	\$10,000		\$0	\$0
Turbine 1 Guide Bearings	\$25,800	\$9,000	320	\$12,800	\$4,000
Update Plant Controls / Metering	\$41,000	\$20,000	400	\$16,000	\$5,000
Repair/Replace Shaft Guide Bearings	\$51,000	\$30,000	400	\$16,000	\$5,000
Prepare Generator 1 for Operation	\$18,600	\$4,000	240	\$9,600	\$5,000
<b>PHASE 2 COSTS</b>	<b>\$166,400</b>	<b>\$93,000</b>		<b>\$54,400</b>	<b>\$19,000</b>
15% Contingency	\$24,960	\$13,950		\$8,160	\$2,850
<b>TOTAL PHASE 2</b>	<b>\$191,360</b>	<b>\$106,950</b>		<b>\$62,560</b>	<b>\$21,850</b>
<b>PHASE 3 - 2007</b>					
Turbine 2 Guide Bearings	\$25,800	\$9,000	320	\$12,800	\$4,000
Lift	\$50,000	\$50,000		\$0	\$0
Trash Rake Structure	\$26,000	\$10,000	400	\$16,000	\$0
Repair/Replace Shaft Guide Bearings	\$59,000	\$30,000	600	\$24,000	\$5,000
Clean and Paint Plant	\$47,000	\$10,000	800	\$32,000	\$5,000
Prepare Generator 2 for Operation	\$18,600	\$4,000	240	\$9,600	\$5,000
<b>PHASE 3 COSTS</b>	<b>\$226,400</b>	<b>\$113,000</b>		<b>\$94,400</b>	<b>\$10,000</b>
15% Contingency	\$33,960	\$16,950		\$14,160	\$1,500
<b>TOTAL PHASE 3</b>	<b>\$260,360</b>	<b>\$129,950</b>		<b>\$108,560</b>	<b>\$11,500</b>

**LOCK 7 RENOVATION PROJECT**

<b>PROJECT COST</b>	<b>Total Cost</b>	<b>Material cost</b>	<b>SHLA Labor Hours</b>	<b>SHLA Labor</b>	<b>Other Labor/ Services</b>
<b>PHASE 4 - 2008</b>					
Trash Rake	\$129,000	\$100,000	600	\$24,000	\$5,000
Repair/Replace Pier Plates- 1	\$24,800	\$10,000	320	\$12,800	\$2,000
Repair/Replace Pier Plates- 2	\$24,800	\$10,000	320	\$12,800	\$2,000
Repair/Replace Pier Plates- 3	\$24,800	\$10,000	320	\$12,800	\$2,000
Repair/Replace Auxiliary Systems - 1	\$31,000	\$10,000	400	\$16,000	\$5,000
Repair/Replace Auxiliary Systems - 2	\$31,000	\$10,000	400	\$16,000	\$5,000
Repair/Replace Auxiliary Systems - 3	\$31,000	\$10,000	400	\$16,000	\$5,000
<b>PHASE 4 Costs</b>	<b>\$298,400</b>	<b>\$160,000</b>		<b>\$110,400</b>	<b>\$26,000</b>
15% Contingency	\$44,460	\$24,000		\$16,560	\$3,900
<b>TOTAL PHASE 4</b>	<b>\$340,860</b>	<b>\$184,000</b>		<b>\$126,980</b>	<b>\$29,900</b>
<b>PHASE 5 - 2009</b>					
Update Unit 1 Controls	\$34,000	\$10,000	600	\$24,000	\$0
Update Unit 2 Controls	\$34,000	\$10,000	600	\$24,000	\$0
Update Unit 3 Controls	\$34,000	\$10,000	600	\$24,000	\$0
Electric Positioner / Digital Governor - 1	\$77,000	\$40,000	800	\$32,000	\$5,000
Electric Positioner / Digital Governor - 2	\$77,000	\$40,000	800	\$32,000	\$5,000
Electric Positioner / Digital Governor - 3	\$77,000	\$40,000	800	\$32,000	\$5,000
<b>PHASE 5 COSTS</b>	<b>\$333,000</b>	<b>\$150,000</b>		<b>\$168,000</b>	<b>\$15,000</b>
15% Contingency	\$49,950	\$22,500		\$25,200	\$2,250
<b>TOTAL PHASE 5</b>	<b>\$382,950</b>	<b>\$172,500</b>		<b>\$193,200</b>	<b>\$17,250</b>
<b>PHASE 6 - 2010</b>					
Rebuild Turbine 2	\$152,000	\$30,000	2800	\$112,000	\$10,000
New Stainless Steel Runner Unit 2	\$166,000	\$163,000		\$0	\$3,000
Recondition Draft Tube Unit 2	\$31,000	\$5,000	400	\$16,000	\$10,000
Repair Thrust Bearings (as needed)	\$51,000	\$35,000	400	\$16,000	\$0
Prepare Generator 2 for Operation	\$18,600	\$4,000	240	\$9,600	\$5,000
<b>PHASE 6 COSTS</b>	<b>\$418,600</b>	<b>\$237,000</b>		<b>\$153,600</b>	<b>\$28,000</b>
15% Contingency	\$62,790	\$35,550		\$23,040	\$4,200
<b>TOTAL PHASE 6</b>	<b>\$481,390</b>	<b>\$272,550</b>		<b>\$176,640</b>	<b>\$32,200</b>

LOCK 7 RENOVATION PROJECT

PROJECT COST	Total Cost	Material cost	S H U Labor Hours	S H U Labor	Other Labor / Services
<b>PHASE 7 - 2011</b>					
Rebuild Turbine 1	\$152,000	\$30,000	2800	\$112,000	\$10,000
New Stainless Steel Runner Unit 1	\$143,000	\$140,000		\$0	\$3,000
Recondition Draft Tube Unit 1	\$31,000	\$5,000	400	\$16,000	\$10,000
Repair Thrust Bearings (as needed)	\$51,000	\$35,000	400	\$16,000	\$0
Prepare Generator 1 for Operation	\$18,600	\$4,000	240	\$9,600	\$5,000
<b>PHASE 7 COSTS</b>	<b>\$395,600</b>	<b>\$214,000</b>		<b>\$153,600</b>	<b>\$28,000</b>
15% Contingency	\$59,340	\$32,100		\$23,040	\$4,200
<b>TOTAL PHASE 7</b>	<b>\$454,940</b>	<b>\$246,100</b>		<b>\$176,640</b>	<b>\$32,200</b>
<b>PHASE 8 - 2012</b>					
Rebuild Turbine 3	\$152,000	\$30,000	2800	\$112,000	\$10,000
New Stainless Steel Runner Unit 3	\$143,000	\$140,000		\$0	\$3,000
Recondition Draft Tube Unit 3	\$31,000	\$5,000	400	\$16,000	\$10,000
Repair Thrust Bearings (as needed)	\$51,000	\$35,000	400	\$16,000	\$0
Repair/Replace Shaft Guide Bearings	\$59,000	\$30,000	600	\$24,000	\$5,000
<b>PHASE 8 COSTS</b>	<b>\$436,000</b>	<b>\$240,000</b>		<b>\$168,000</b>	<b>\$28,000</b>
15% Contingency	\$65,400	\$36,000		\$25,200	\$4,200
<b>TOTAL PHASE 8</b>	<b>\$501,400</b>	<b>\$278,000</b>		<b>\$193,200</b>	<b>\$32,200</b>
<b>PROJECT TOTAL</b>	<b>\$2,786,440</b>	<b>\$1,435,200</b>		<b>\$1,126,540</b>	<b>\$194,350</b>

Loch Renovation Project- CASHFLOW

YEAR	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Production from Unit 1 (MWH) =		744	2975	2975	1062	1,200	1,830	2,337	2,337	2,337	2,337	2,337	2,337
Production from Unit 2 (MWH) =			935	3740	3273	3273	3273	3273	3273	3273	3273	3273	3273
Production from Unit 3 (MWH) =	850	3,400	3,400	1,062	3,740	3,740	3,740	3,740	3,740	3,740	3,740	3,740	3,740
<b>Total Energy Production (Mwh)=</b>	<b>850</b>	<b>4,144</b>	<b>7,310</b>	<b>7,777</b>	<b>8,075</b>	<b>8,213</b>	<b>8,843</b>	<b>9,350</b>	<b>9,350</b>	<b>9,350</b>	<b>9,350</b>	<b>9,350</b>	<b>9,350</b>
Sale Price for Power (\$/Mwh) =	40.00	40.40	40.80	41.21	41.62	42.04	42.46	42.89	43.31	43.75	44.18	44.63	45.07
<b>Depreciation</b>													
Phase 1	<b>6,660</b>	6,660	6,660	8,660	8,660	6,660	6,660	8,660	6,660	8,660	<b>6,660</b>	6,660	6,660
Phase 2	0	<b>9,568</b>	9,568	<b>9,568</b>	9,568	9,568	9,568	<b>9,568</b>	9,568	<b>9,568</b>	<b>9,568</b>	9,568	9,568
Phase 3	0	0	13,018	13,018	13,018	<b>13,018</b>	13,018	<b>13,018</b>	13,018	13,018	13,018	13,018	13,018
Phase 4	0	0	0	17,043	17,043	17,043	17,043	17,043	17,043	17,043	17,043	17,043	17,043
Phase 5	0	0	0	0	19,148	19,148	19,148	19,148	<b>19,148</b>	<b>19,148</b>	19,148	19,148	19,148
Phase 6	0	0	0	0	0	24,070	24,070	24,070	24,070	24,070	24,070	24,070	24,070
Phase 7	0	0	0	0	0	0	22,747	22,747	22,747	22,747	22,747	22,747	22,747
Phase 8	0	0	0	0	0	0	0	<b>25,070</b>	25,070	25,070	25,070	25,070	<b>25,070</b>
<b>Total Depreciation</b>	<b>6,660</b>	<b>16,228</b>	<b>29,246</b>	<b>46,289</b>	<b>65,437</b>	<b>89,506</b>	<b>112,253</b>	<b>137,323</b>	<b>137,323</b>	<b>137,323</b>	<b>137,323</b>	<b>137,323</b>	<b>137,323</b>
<b>Depreciated Plant Balance</b>													
Phase 1	153,180	146,520	139,860	133,200	126,540	119,880	113,220	106,560	99,900	93,240	<b>86,580</b>	79,920	73,260
Phase 2		<b>191,360</b>	181,792	172,224	162,656	153,088	143,520	133,952	124,384	114,816	105,248	95,680	86,112
Phase 3			<b>260,360</b>	247,342	234,324	221,306	208,288	195,270	182,252	169,234	158,216	143,198	<b>130,180</b>
Phase 4				<b>340,860</b>	323,817	306,774	289,731	272,688	255,645	238,602	221,559	204,516	187,473
Phase 5					382,950	<b>363,803</b>	344,655	325,508	306,360	287,213	268,065	248,918	229,770
Phase 6						481,390	457,321	433,251	<b>409,182</b>	<b>385,112</b>	361,043	336,973	<b>312,904</b>
Phase 7							454,940	432,193	409,446	386,699	363,952	341,205	318,458
Phase 8								501,400	476,330	451,260	426,190	401,120	<b>376,050</b>
<b>Total Depreciated Plant</b>	<b>153,180</b>	<b>337,880</b>	<b>582,012</b>	<b>893,626</b>	<b>1,230,287</b>	<b>1,646,241</b>	<b>2,011,675</b>	<b>2,400,822</b>	<b>2,263,499</b>	<b>2,126,176</b>	<b>1,988,853</b>	<b>1,851,530</b>	<b>1,714,207</b>
<b>REVENUES</b>													
Sale of Total Production	<b>34,000</b>	167,418	298,277	320,506	336,115	345,278	375,481	400,979	<b>404,988</b>	409,038	<b>413,129</b>	<b>417,260</b>	<b>421,433</b>
<b>EXPENSES</b>													
Project Administration	1,500	1,515	1,530	1,545	1,561	1,571	1,592	1,608	1,624	1,641	1,657	1,674	1,690
Operation and Maintenance	2,500	2,525	2,550	2,576	2,602	2,628	2,854	2,680	2,707	2,734	2,762	2,789	2,817
Insurance	<b>5,000</b>	<b>6,500</b>	8,000	8,080	8,161	8,242	8,325	8,408	8,492	8,577	8,683	8,749	8,837
Federal Impoundment Fee	850	4,144	0	0	0	0	0	0	0	0	0	0	0
FERC Annual Fee	650	657	663	670	676	683	690	897	704	711	718	725	732
Headwater Benefit Fee	145	146	148	149	151	152	154	155	157	159	160	162	163
KRA Lease Fee	901	4,434	7,895	8,555	8,963	9,199	9,993	<b>10,659</b>	10,846	<b>10,940</b>	11,033	11,127	11,220
USGS Gage Fee	13,000	<b>13,098</b>	13,196	13,295	13,394	13,495	13,596	13,698	13,801	13,904	14,009	14,114	14,219
Property Taxes (Mercer County)	1,470	2,985	4,986	7,542	10,302	13,713	16,710	19,901	<b>18,775</b>	<b>17,649</b>	<b>16,523</b>	<b>15,397</b>	<b>14,270</b>
<b>Total Expenses</b>	<b>26,016</b>	<b>36,003</b>	<b>38,968</b>	<b>42,411</b>	<b>45,811</b>	<b>49,689</b>	<b>53,713</b>	<b>57,807</b>	<b>57,106</b>	<b>56,314</b>	<b>55,524</b>	<b>54,736</b>	<b>53,950</b>
<b>NET INCOME</b>	<b>7,984</b>	<b>131,414</b>	<b>259,309</b>	<b>278,095</b>	<b>290,305</b>	<b>295,589</b>	<b>321,768</b>	<b>343,172</b>	<b>347,882</b>	<b>352,725</b>	<b>357,605</b>	<b>362,524</b>	<b>367,482</b>
Investment	153,180	<b>344,540</b>	<b>604,900</b>	945,760	<b>1,328,710</b>	1,810,100	2,265,040	2,766,440	2,766,440	<b>2,766,440</b>	2,766,440	2,766,440	2,766,440
Return on Investment	5.2%	38.1%	42.9%	29.4%	21.8%	16.3%	14.2%	12.4%	12.6%	12.8%	12.9%	13.1%	13.3%

Lockport Innovation Project - CASHFLOW

YEAR	2018	2019	2020	2021	2022
Production from Unit 1 (MWH) =	2,337	2,337	2,337	2,337	2,337
Production from Unit 2 (MWH) =	3273	3273	3273	3273	3273
Production from Unit 3 (MWH) =	3,740	3,740	3,740	3,740	3,740
Total Energy Production (Mwh)=	9,350	9,350	9,350	9,350	9,350
Sale Price for Power (\$/Mwh) =	45.52	45.98	46.44	46.90	47.37
Depreciation					
Phase 1	6,660	6,660	6,660	6,660	6,660
Phase 2	9,568	9,568	9,568	9,568	9,568
Phase 3	13,018	13,018	13,018	13,018	13,018
Phase 4	17,043	17,043	17,043	17,043	17,043
Phase 5	19,148	19,148	19,148	19,148	19,148
Phase 6	24,070	24,070	24,070	24,070	24,070
Phase 7	22,747	22,747	22,747	22,747	22,747
Phase 8	25,070	25,070	25,070	25,070	25,070
Total Depreciation	137,323	137,323	137,323	137,323	137,323
Depreciated Plant Balance					
Phase 1	66,600	59,940	53,280	46,620	39,960
Phase 2	76,544	66,976	57,408	47,840	38,272
Phase 3	117,162	104,144	91,126	78,108	65,090
Phase 4	170,430	153,387	136,344	119,301	102,258
Phase 5	210,623	191,475	172,328	153,180	134,033
Phase 6	268,834	264,765	240,695	216,626	192,556
Phase 7	295,711	272,964	250,217	227,470	204,723
Phase 8	350,980	325,910	300,840	275,770	250,700
Total Depreciated Plant	1,576,884	1,439,561	1,302,238	1,164,915	1,027,592
REVENUES					
Sale of Total Production	425,647	429,903	434,202	438,544	442,930
EXPENSES					
Project Administration	1,707	1,724	1,741	1,759	1,776
Operation and Maintenance	2,845	2,874	2,902	2,931	2,961
Insurance	8,925	9,015	9,105	9,196	9,288
Federal Impoundment Fee	0	0	0	0	0
FERC Annual Fee	740	747	755	762	770
Headwater Benefit Fee	165	167	168	170	172
KRA Lease Fee	11,314	11,407	11,501	11,594	11,688
USGS Gage Fee	14,326	14,434	14,542	14,651	14,761
Property Taxes (Mercer County)	13,144	12,018	10,892	9,766	8,640
Total Expenses	53,167	52,385	51,606	50,830	50,055
NET INCOME	372,480	377,518	382,596	387,715	392,875
Investment	2,766,440	2,766,440	2,766,440	2,766,440	2,766,440
Return on Investment	13.5%	13.6%	13.8%	14.0%	14.2%



**Exhibit J**  
**KU Stakeholder Correspondence**

## **Reinert, Marty**

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**From:** Zoe' Strecker [zoeayn@hotmail.com]  
**Sent:** Tuesday, April 06, 2004 5:21 PM  
**To:** Reinert, Marly  
**Subject:** The hydro plant at Lock #7 near my farm

Mr. Reinert,  
I live in Mercer County near the Brown Power Plant and near the old hydroelectric plant at **Lock** Number 7. I have always hoped that the hydro power at the Lock would be restored and **am** very alarmed to hear that KU is considering condemning **it** entirely. Environmentally and historically, it is a valuable asset. Why not make use of **clean** renewable power?

I intend to keep an eye on **this** whole process, as will many of my neighbors.

Please send me a copy of the Initial Consultation Document (ICD) and add me to the mailing list for the FERC Lincese Surrender process.

Sincerely,

Zoe Strecker  
413 Coghill Lane  
Harrodsburg, KY 40330

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**Reinert, Marty**

---

**From:** andrew mcdonald [andyboeke@yahoo.com]  
**Sent:** Tuesday, April 06, 2004 11:35 AM  
**To:** Reinert, Marly  
**Subject:** ICD for hydroelectric dam at Lock and Dam 7

Dear Mr. Reinert,

I am writing concerning the proposal to dismantle **the** hydroelectric dam at Lock and Dam 7 on the Kentucky River. **I am** concerned about the loss of **an** existing renewable energy source and would like to receive a copy of the Initial Consultation Document (ICD). I would **also** like to be added to the Service List for the FERC process.

Thank you very much for your assistance.

Sincerely,

Andy McDonald

Appalachia-Science in the Public Interest

2235 Gregory Woods Rd

Frankfort KY 40601

**502-227-4562**

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ERNIE FLETCHER  
GOVERNOR

COMMERCE CABINET

KENTUCKY HERITAGE COUNCIL  
THE STATE HISTORIC PRESERVATION OFFICE  
300 WASHINGTON STREET  
FRANKFORT, KENTUCKY 40601  
(502) 564-7005 (502) 564-5820 FAX  
www.kentucky.gov

W. JAMES HOST  
SECRETARY

DAVID L. MORGAN  
EXECUTIVE DIRECTOR AND  
STATE HISTORIC PRESERVATION OFFICER

May 17, 2004

Mr. ~~Marty~~ J. Reinert  
Regulatory Analyst II  
Louisville Gas and Electric Company  
220 West Main Street  
Louisville, KY 40202

**Re: Section 106 Consultation regarding the Proposed Decommissioning  
and Demolition of Lock No. 7 Hydroelectric Project (FERC No. 539)**

Dear Mr. Reinert:

Thank you for coordinating with the State Historic Preservation Office on the above referenced project in accordance with 36 CFR Part 800 of the National Historic Preservation Act. It is the finding of this office that Lock No. 7 (powerhouse, concrete substructure and footbridge) is eligible for listing on the National Register of Historic Places under Criteria C for Architectural/Engineering significance. The proposed demolition of this resource will result in an Adverse Effect to Historic Properties determination being issued. It is therefore requested that Kentucky Utilities consult further with this office on the resolution of adverse effects by contacting Craig Potts of my staff at 502-564-7005, ext. 121.

Sincerely,

A handwritten signature in black ink, appearing to read "David L. Morgan".

David L. Morgan, Director  
Kentucky Heritage Council and  
State Historic Preservation Officer

*Craig Potts*

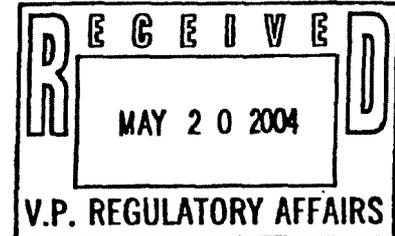
cc: J. Wolfram/HKS

## Kentucky Resources Council, Inc.

Post Office Box 1070  
Frankfort, Kentucky 40602  
(502) 875-2428 phone (Ma) 875-2845 fax  
e-mail: fitzKRC@aol.com  
www.kyrc.org

May 19, 2004

Mr. Michael S. Beer  
LG&E Energy Corp.  
220 West Main street  
Louisville, KY 40202



Re: **Kentucky Utilities Company**  
**Lock No. 7 Hydroelectric Project**  
**FERC #539 Surrender Application**

Mr. Beer,

The Kentucky Resources Council, Inc. (KRC), a non-profit environmental advocacy organization providing legal and technical assistance to Kentuckians concerning environmental matters, provides the following comments with respect to the Application of Kentucky Utilities Company to surrender the FERC Licenses for the Lock 7 Hydroelectric Plant. The Kentucky Resources Council has been involved as a party or as counsel for individuals in a number of cases at the Public Service Commission over the years involving both Kentucky Utilities and Louisville Gas and Electric, including participation with respect to plans involving generating assets and long term planning.

We have had an opportunity to review the Initial Consultation Document (ICD) and offer these comments on the Kentucky Utilities (KU) plan outlined in that document. As KRC understands the proposal, KU's plan is to surrender the Lock 7 FERC License and tear down the plant. Our records show that KU owns only two electric generating stations that use renewable energy resources, this Lock 7 plant and another plant at Dix Dam.

KRC is very concerned with the KU proposal contained in the ICD. That KU has only two generating stations producing power from renewables is troubling, and now KU wishes to not only retire one of its only two clean energy generators, but also wishes to tear it down so no one else can generate "green" power with it. The energy portfolio of the company is already substantially lopsided towards coal-fired generation, and the proposed dismantling of the hydro plant comes at the same time that the Courier-Journal reports that LG&E and KU want to build a new coal-fired plant at the Trimble County site. These two proposed actions by KU, taken together, represent a significant step backward for not only KU, but for the environment in the Commonwealth.

Electricity produced at the Lock 7 plant has no emissions associated with it. This is in contrast to any coal-fired plant, no matter how new, that will have a negative impact on the environment in terms of oxides of sulfur and nitrogen, mercury, radionuclides and carbon dioxide, as well as coal ash disposal concerns. The proposed removal of one of only two renewable energy plants, at the same time KU intends to build a new fossil fuel plant is disturbing. It would appear that the removal of the renewable plant, at least in part, is being used by KU to justify the need for a new fossil-fuel plant. Even as other utilities in the Commonwealth are investing in utilization of landfill gas generation, wind and other non-traditional power sources, LGE/ KU appears to be retrenching from its limited commitment to alternative power.

While replacing the capacity of one of KU's two renewable energy plants with fossil fuel capacity is itself troubling, the KU plan to tear down the plant and prevent it from being used by any other party is completely unacceptable. While other utilities are making significant investments in renewable energy generators, KU is proposing to invest significant dollars in tearing down one of its only two renewable plants rather than allowing it to be used for continued production of power.

The Kentucky Resources Council believes that it is not in the public interest for Federal Energy Regulatory Commission to allow KU to tear this plant down. If KU is unable or unwilling to rehabilitate and operate the Lock 7 plant in order to maintain its nominal investment in renewables, KU should voluntarily divest itself of the asset by donation to another entity that will operate the plant for the benefit of the people of the Commonwealth of Kentucky and the environment, or FERC should require that KU so divest and transfer ownership and control. Donating the asset will allow KU to take credits against income and will save ratepayers the costs of dismantling and decommissioning the plant.

We would appreciate if you would forward our comments to the Federal Energy Regulatory Commission, and keep us informed of any developments in this case. Thank you for the opportunity to provide comments.

Cordially,



Tom FitzGerald, Director

May 22, 2004

Mld <sup>100</sup>  
5/27/04

Marty J. Reinert  
LG & E Energy Corp.  
P.O. Box 32010  
Louisville, Ky 40232.

Dear Mr. Reinert,

I read an article in the May 14 Herald-Leader entitled, "Taking Stock of a Lock," about KU's plans to tear down a hydroelectric plant, and I'm quite disturbed by that. While KU generates most of its electricity with polluting coal, why on earth would you want to tear down one of the few power plants KU has that makes clean pollution-free electricity? And I read that KU and LG & E are considering building a new power plant that burns coal — and at a time when other utilities around the country are building plants that use clean renewable energy.

If KU is unwilling to spend the money to repair that hydroelectric plant, then please offer it to another company to fix it up, like the Herald-Leader suggested someone wants to do.

(over)

I want to register my objection to any plans to tear down a plant that has the capability, with some repairs, to generate clean energy. I would like to see KII be part of the solution to the problem of global warming, not a part of the problem. Please do the right thing, and preserve that clean-energy plant.

Sincerely,

Michelle Togami

1408 Mt. Rainier Drive  
Lexington, KY 40517

(859) 272-5486

June 2, 2004

Mr. Marty Reinert  
LG&E  
220 ~~West Main~~ Street  
Louisville, Ky. 40202

Dear **Mr.**:

I **am** writing concerning the fate of the Lock 7 hydroelectric plant, which I understand is being **considered** for destruction. As a Mercer County resident, **already** dealing with a lot of pollution from coal-emissions, I am concerned about the increase of these pollutants **as** the current coal plant expands. The clean energy produced by the simple hydroelectric plant in question is clearly preferable in my mind, and **that** of many **of** my family and neighbors, to increased coal-produced energy.

For the sake of the environment in this beautiful, historic part of Kentucky, please make every effort to find a buyer if **you** don't want to restore it yourself. I understand **that** there **is** a company willing to do **the** restoration, and buy **it** **from** you. As it would be costly to take it down, it would seem to **make** sense for LG & E to fully **examine** the offer of this company, or any other potential buyer, from an economic point of view. And it would certainly **benefit** the residents of Mercer County who would **get** cleaner air and an increase in energy supply.

Before demolition begins, please hear the voice of the residents of **Mercer County**. You have been a responsible business presence in our community for a long time. Please continue this **caring** attitude toward **our** residents, and save the hydroelectric plant **from** demolition, keeping the toxic emissions to a bearable minimum. **Please** keep the beautiful natural environment **of** the bordering Palisades area healthy and **green** by ensuring that our **Lock 7** hydroelectric plant is restored and put back to **use**. The renewable resource, water, required for its production of energy **is** not subject to the vagaries of supply of other energy sources, and thus is more dependable than most. It makes sense for the environment, and for the economy, **and** for the financial prospects of **your** company. Please heed our request.

Thank you for **our** attention to this matter,

  
Betty Dean

551 Moore's Lane  
Harrodsburg  
Ky. 40330

**Reinert, Marty**

---

**From:** Jan37573@aol.com  
**Sent:** Thursday, June 03, 2004 8:32 AM  
**To:** Reinert, Marty  
**Subject:** Hydroelectric facility at lock and dam number 7

I just want to go on record in favor of restoring this facility rather than tearing it down. I live near Lock number 7 and I think it is important to be environmentally responsible. I want my air and water to be as clean as possible. We need to pursue options that can reasonably contribute to that goal. Dr. Janet L. Miller

6/9/2004

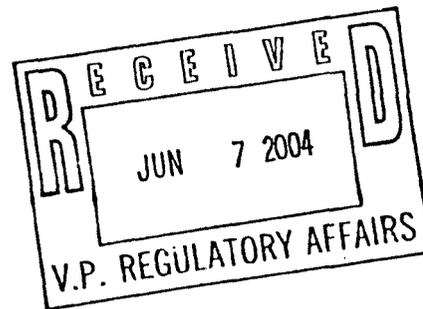
Ernie Fletcher  
Governor



LaJuana S. Wilcher  
Secretary

COMMONWEALTH OF KENTUCKY  
ENVIRONMENTAL AND PUBLIC PROTECTION CABINET  
DEPARTMENT FOR NATURAL, RESOURCES  
DIVISION OF ENERGY  
663 Teton Trail  
Frankfort, Kentucky 40601

June 3, 2004



TO: Michael S. Beer or Marty J. Reinert  
LG&E Energy Corporation  
220 West Main Street  
P.O. Box 32010  
Louisville, KY 40232

RE: Kentucky Utilities Company  
Lock #7 Hydroelectric Project (FERC License #539)  
Surrender Application  
Initial Consultation Document

To Whom It May Concern:

**As** the state energy office for the Commonwealth of Kentucky, the Kentucky Division of Energy (KDOE) wishes to submit the following comments to be entered into the record of this case:

**I. The Generation Facility Should Not Be Demolished**

According to the Initial Consultation Document (ICD) submitted by Kentucky Utilities Company (KU) on April 1, 2004, the utility **has** concluded that it is not economically feasible for it to renovate and operate the hydroelectric facility at Lack No. 7. KU is proposing to demolish the generation superstructure above the crest elevation and fill the voids below the current superstructure. ICD Executive Summary page I-2.

KU assessed a number of other options before deciding **to** propose demolition. Although no economic analysis of these options **was** included in the ICD, KU did include a part of an economic analysis in response to a question from the Kentucky Attorney General (AG) in a recent case before the Kentucky Public Service Commission (PSC). The analysis was performed for KU in 2001 by Duke Engineering & Services, and **a** six-page

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report section titled “Repair Options and Economic Evaluation” was submitted to the PSC on March 11, 2004, in response to Question **AG 2-1** in Case No. 2003-00434, “In the Matter of an Adjustment of the Electric Rates, Terms and Conditions of Kentucky Utilities Company.”

Duke Engineering & Services (DE&S) updated a 1993 estimate by another company to repair the turbines and generating station, and concluded that the cost in 2001 would be approximately **\$4.5** million. Their estimate of the cost to demolish the generation station and structure down to the waterline (elevation 514.6 feet) was \$3.4 million in 2001. The difference in cost between renovating the facility and demolishing it is therefore approximately \$1.1 million. Other options DE&S evaluated were to remove the generating equipment but leave the structure in place (estimated cost of \$1.3 million); or to remove all generating equipment and the structure down to elevation 480 feet [i.e., below the waterline] and reconstruct that portion of the wing to match the existing dam (estimated cost of \$24 million). A sentence from page 25 of the report is of special interest: “There is an additional option to do nothing, but KU staff indicates that they do not wish to select this option for various reasons including liability, public relations, etc.”

KDOE believes that if KU were to transfer its FERC license to operate the facility to another party [subject to FERC approval], legal liability for events arising out of the facility would **also** be transferred to that party, and KU would no longer have **any** liability.

In regard to public relations, KDOE can understand KU’s concern that if the facility were simply abandoned to its fate, and were to collect floating debris or become a home for vagrants or vandals, negative publicity could result. However, if another party were to assume the FERC license, **as well as** the responsibility for maintaining **and** renovating the facility, KU’s responsibilities would have been discharged. Any negative publicity that might arise would **then** inure to the other party, not KU.

On the other hand, we believe KU is ignoring the likelihood of substantial negative publicity if it demolishes the facility and eliminates a renewable, non-polluting energy source. When surveyed, Americans consistently express very strong support for renewable energy sources and improved energy efficiency, **as** opposed to burning fossil fuels or using nuclear power. The following web site, posted by the Bonneville Power Administration, describes a number of public opinion surveys on various energy technologies:

[http://www.bpa.gov/Energy/N/reports/whatconsumers\\_want/consumer\\_opinions.cfm](http://www.bpa.gov/Energy/N/reports/whatconsumers_want/consumer_opinions.cfm)

In response to the question, “In order to help provide for the country’s need for energy in the future, which do you **think** should be emphasized most?” a representative survey found 59% of the population choosing “different energy sources such **as** solar and wind,” compared to 11% who chose “Finding ways to produce more oil, **gas** and coal.” If asked, a significant number of KU’s customers, perhaps a large majority, would disapprove of a decision to demolish the hydroelectric facility if they knew that its output would replace a small amount of KU’s coal-fired electricity, and that KU could have renovated the hydroelectric station at an incremental cost of only \$1.1 million.

KDOE concludes that the concerns voiced by KU's staff to DE&S about potential liability and negative public relations are not valid.

## **II. KU's Environmental Impact Assessment Ignores the Value of Renewable Energy**

In Section IV of its ICD, the utility concludes, based on virtually no analysis, that "the Decommissioning Plan for the Lock No. 7 Project will have a small potential to negatively affect the environment in and around the Project area. .," i.e., that the environmental impacts will be "minimal." ICD, page IV-1. However, KU entirely neglected to assess the environmental impacts of mining and burning the additional quantities of coal necessary to replace the output from the hydroelectric facility over the next two decades. These impacts include damage to land and water resources from mining, cleaning, and transporting coal, additional air emissions from KU's coal-fired power plants, and the increased risk of harmful changes in the climate resulting from the emission to the atmosphere of coalbed methane and carbon dioxide from coal combustion. FERC should not consider the utility's environmental assessment to be complete unless and until KU includes estimates of the magnitude of these impacts as part of its application.

## **III. The Economic Analysis Done by Duke Engineering & Services Is Flawed**

After estimating the cost of decommissioning the facility, Duke Engineering & Services (DE&S) estimated the capital cost of a range of options for repairing it and generating electricity again at the site. The estimates, in 2001 dollars, were \$1.6 million, \$3.1 million, and \$4.5 million to repair one, two or all three of the generating units, respectively.

DE&S then estimated the value of the electricity the facility would produce in the future. According to the consultants' report, "The Lock No. 7 project is limited to run of the river operation, which results in mainly off peak generation. The project is located in a very low cost power region with ample reserves. We would therefore project that the levelized value of the power output would be less than 2.0 cents/kWh during the remaining license period between 2002 and 2022."

DE&S produced a table with three wholesale electricity prices for "firm, on-peak" power for the day of December 13, 2001. The prices were 1.79 cents/kWh in the Dow Jones - Cinergy control area, 1.94 cents/kWh in the Mirant East Power Index, and 2.24 cents/kWh in the Mirant National Power Index. DE&S labeled the table, "Representative Regional and National Power Prices as of December 13, 2001."

KDOE believes that the value of hydropower produced at a renovated Lock No. 7 facility would be substantially higher than 2 cents/kWh, and that the ~~three~~ prices listed in the table are not representative of on-peak wholesale power prices in more recent years. According to a report published in April, 2004, by the Independent Market Monitor of the Midwest Independent System Operator, the day-ahead wholesale price for on-peak power at the Cinergy Nub during 2003 ranged from 2.3 cents/kWh in October 2003 to 4.7 cents in February 2003. The 2003 on-peak and off-peak prices were as follows:

Table 1 – Day-Ahead Wholesale Electricity Prices, 2003, Cinergy Hub

Month	On-peak (cents/kWh)	Off-peak (cents/kWh)
January	4.0	2.1
February	4.7	2.6
March	4.6	2.3
April	3.6	1.6
May	2.7	1.2
June	2.7	0.9
July	3.8	1.3
August	4.4	1.5
September	2.5	1.1
October	2.3	1.3
November	2.4	1.5
December	3.1	1.4

Source: [http://www.ferc.gov/EventCalendar/Files/591,1,Highlights of the Midwest ISO 2003 State of the Market Report](http://www.ferc.gov/EventCalendar/Files/591,1,Highlights%20of%20the%20Midwest%20ISO%202003%20State%20of%20the%20Market%20Report)

A substantial premium should be added to the wholesale price because the power produced at the Lock No. 7 Station would be Green Power. Market experience has shown that a subset of the population is willing to pay higher electricity rates when they know they are supporting new renewable energy sources. Utility programs throughout the country have demonstrated that a certain number of customers are willing to pay over 2 cents more per kWh for “blocks” of Green Power. In Kentucky, ~~East~~ Kentucky Power Co-op has instituted a Green Power program and sells electricity from landfill gas-to-energy facilities to participating customers at a monthly premium of \$2.75 for each block of 100kWh, i.e., for a price premium of 2.75 cents/kWh. Kentucky *Post*, “Officials Praise Green Power Plant: Generator Fired by Landfill’s Methane,” Luke E. Saladin, 10/18/03, web link: <http://www.kypost.com/2003/10/18/fill101803.html>

For purposes of this analysis, we will assume a Green Power price premium of 2.5 cents/kWh, which would be added to the wholesale prices in Table 1 above. A second table can be produced that includes the value of Green Power. The final column in Table 2 below represents the weighted average value if we assume that one-quarter of the hours in a month are an-peak and three-quarters are off-peak.

Table 2 – Projected Value of Electricity Produced by Lock No. 7 Hydroelectric Station, Assuming a Green Power Price Premium of **2.5 Cents/kWh**

Month	On-peak (cents/kWh)	Off-peak (cents/kWh)	Weighted Average (cents/kWh)
January	<b>6.5</b>	<b>4.6</b>	<b>5.1</b>
February	<b>7.2</b>	<b>5.1</b>	<b>5.6</b>
March	<b>7.1</b>	<b>4.8</b>	<b>5.4</b>
April	<b>6.1</b>	<b>4.1</b>	<b>4.6</b>
May	<b>5.2</b>	3.7	<b>4.1</b>
June	<b>5.2</b>	<b>3.4</b>	3.9
July	<b>6.3</b>	<b>3.8</b>	<b>4.4</b>
August	<b>6.9</b>	<b>4.0</b>	<b>4.7</b>
September	<b>5.0</b>	<b>3.6</b>	<b>4.0</b>
October	<b>4.8</b>	<b>3.8</b>	<b>4.1</b>
November	<b>4.9</b>	<b>3.8</b>	<b>4.1</b>
December	<b>5.6</b>	<b>3.9</b>	<b>4.3</b>

The projected value of the electricity produced at the facility is therefore at or above **4** cents per kWh during almost all of the year if we assume that KU were to institute a Green Power program similar to that of East Kentucky Power Co-op.

Returning to the economic analysis produced by DE&S, the consultants estimated that annual operating and maintenance expenses of the facility would be approximately \$61,000, consisting mainly of the cost of labor to remove trash such as tree limbs that build up at the intake grate. DE&S then developed a simple spreadsheet to analyze the net present value (NPV) of various repair options under a range of values for the energy produced. DE&S plugged in the capital cost of repairing **one, two or all three units**, considered electricity values of 1.5, 2.0 and **2.5 cents/kWh**, and considered NPV discount rates of **5%** and 10%. DE&S ran the calculations and compared the present value of the **costs** to the present value of the projected revenues from the sale of electricity over the 20-year period from 2002 to 2022. The NPV results were negative in all cases, ranging from **-\$1.6 million** to more than **-\$3.5 million**. On the basis of these results, DE&S concluded that the project is not economically feasible, and that for it to break even the value **of** the electricity produced would need **to** be at least **4.5 cents/kWh**.

The main problem with this analysis is that the cost of decommissioning **the** facility – \$3.4 million for the preferred option – **was** entirely omitted from the NPV calculations. The actual, incremental capital cost to repair the three units equals the cost of the repairs minus the cost of what KU would otherwise do. Another way to put it is that if the three units were to be repaired, it would be unnecessary for KU to spend **\$3.4 million** to demolish the facility. The actual cost of the 3-unit repair option is therefore **\$4.5 million** minus **\$3.4 million**, or **\$1.1 million**. The net present value becomes positive, and it **becomes** clear that DE&S's overall conclusion **was** completely wrong. To repair the

facility and put it back into operation is clearly economically beneficial for KU and its customers, When the additional *market* value of Green Power is taken into account, the decision to rebuild becomes even more obviously correct.

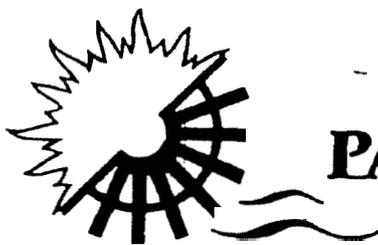
Despite the positive economics, if KU nevertheless decides it does not want to operate this renewable energy facility, it should allow someone else to do so by transferring its FERC license to another party. If KU were to implement its decommissioning plan as proposed, that course of action would be permanently precluded. It is the position of the Kentucky Division of Energy that this potentially cost-effective renewable energy resource should not be demolished.

Sincerely,



Geoffrey M. Young, Assistant Director  
Kentucky Division of Energy  
663 Teton Trail  
Frankfort, KY 40601

cc: Magalie Roman Salas, Secretary  
Federal Energy Regulatory Commission  
888 First Street, N.E.  
Washington, DC 20426

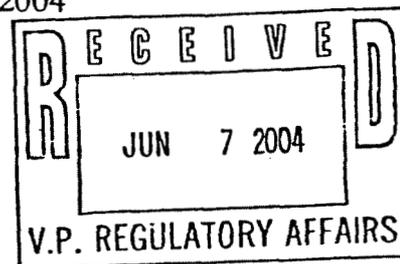


# PADDLEWHEEL ALLIANCE

cc: K. BLAKE  
J. WOLFRAM  
R. CONROY  
M. REINERT

1711 Edgeland Avenue  
Louisville, KY 40204-1525  
4 June 2004

Michael S. Beer  
LG&E Energy Corporation  
220 West Main Street  
Louisville, KY 40202



Dear Mr. Beer,

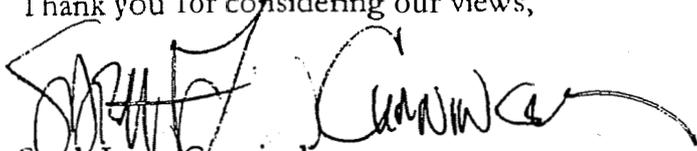
Paddlewheel Alliance is dismayed by the Kentucky Utilities (KU) plan to destroy your Lock 7 hydroelectric plant, in these times when even some oil companies acknowledge the horror of global climate change.

We opposed the construction of the Marble Hill nuclear station in southern Indiana, as well as LG&E's Trimble County **plant**. Both nuclear and coal-fired power plants are non-sustainable, damage the environmental (indirectly **and** directly, respectively), and harm public health. We encourage utilities to focus their investments into energy efficiency and renewable-energy power plants, such as solar, wind and waterpower.

Taking down the **Lock 7** plant would be regressive. The Courier-Journal recently reported that your utility wants to build another coal-fired unit at Wise's Landing in Trimble County. It appears you want to destroy a clean, renewable-energy plant while building another **coal** plant. Meanwhile, other utilities operate meaningful DSM programs, build renewable-energy power plants and sell Green Power at a premium.

Paddlewheel Alliance strongly opposes the destruction of the **Lock 7** hydroelectric plant. Instead of spending ratepayer dollars on demolition, **spend them on upgrading** the plant, and put it back into service. If you don't want to **fix** it up, at least leave it alone, and find a company that will **fix** it up, run it and put that power into the grid.

Thank you for considering our views,

  
Sarah Lynn Cunningham  
Paddlewheel Alliance

LG&E Energy Corporation  
220 West Main St.  
P.O. Box 32010  
Louisville, KY 40232

6 June 2004

Mr. Michael S. Beer and Marty J. Reinert,  
I am writing in reference to <sup>the</sup> hydroelectric plant on Harrodsburg Lake owned by Kentucky Utilities. I recently learned that KU's intention is to demolish its ~~only~~ source of renewable energy. I am concerned about Kentucky's over-reliance on coal, and believe that we need to invest in renewable energy for the good of our health, the well-being of our environment, and the vitality of our economy. KU should re-open its hydroelectric facility and begin using it again. They should also seriously invest in additional renewable options such as ~~hydro~~ micro-hydro, solar, <sup>and</sup> landfill gas.

Thank you for your time,

*Alyssa Meyer*

Alyssa Meyer  
353 Woodland Ave  
Lexington, KY  
40508

**Reinert, Marty**

---

**From:** andrew mcdonald [andyboeke@yahoo.com]  
**Sent:** Friday, June 11, 2004 9:25 AM  
**To:** Reinert, Marty  
**cc:** softenergy@juno.com; bobkatfarm@yahoo.com  
**Subject:** Comments on proposals for KY River Lock No7 Hydro Project



Lock No7 comments  
june04.doc (...)

**Dear Mr. Reinert**

Attached are comments concerning **Soft Energy Associates'** proposal to take over the **license** for and renovate the hydroelectric project at **Lock No. 7** on the **Kentucky River**. Please keep me informed of developments on this issue.  
Thank you for your time.

Sincerely,  
Andy McDonald  
Kenucky Solar Partnership, Co-coordinator  
Appalachia-Science in the Public Interest  
2235 Gregory Woods Rd  
Frankfort, KY 40601  
502-227-4562

---

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June 10,2004

Mr. Marty Reinert  
LG&E Energy  
220 W. Main St.  
Louisville, KY 40202

Re: Soft Energy Associates Proposal to Acquire  
KU Lock No. 7 Hydroelectric Project

Dear Mr. Reinert:

Thank you for taking the time to meet with me and the other concerned citizens at the Shaker Village in Pleasant Hill on May 13. I appreciate the time you and your colleagues took to explain Kentucky Utility's proposal to surrender the license for the hydroelectric facility at Lock No.7, and to discuss the proposal by **Soft** Energy Associates (SEA) to acquire and renovate that facility.

On behalf of Appalachia- Science in the Public Interest and the Kentucky Solar Partnership, I wish to express our support for SEA's effort to acquire the license to renovate and operate the hydroelectric facility at Lock No. 7. The development of renewable energy sources is very important to the people of Kentucky, and SEA is to be commended for its efforts to build our renewable energy base.

When compared with LG&E's proposal to decommission the facility, permanently ending power production at the site, Soft Energy Associates' proposal has many advantages. Considering that the dam and other supporting infrastructure already exists on-site, it seems that returning the facility to power production can be achieved at a minimal cost to the environment. If SEA **finds** that renovating the facility is feasible, to nevertheless destroy its capacity to produce power would be an irresponsible waste of resources, in our view. In an era when conventional means of producing electricity entail enormous costs to the environment, **human** health, and future generations, we must embrace opportunities to reverse this trend and produce clean, safe energy.

One question I brought to the May 13 meeting **was** whether LG&E's proposal to decommission the facility would have a more beneficial effect upon the ecology of the river than SEA's proposal **to** resume power generation. After our discussion that evening and upon reviewing the Initial Consultation Document, I expect **that** returning the facility to power production would do no more harm to the river environment than decommissioning the facility. As the hydro project has been in place for over 70 years, and the dam will remain in either case, I can foresee no adverse effects stemming from SEA's proposal, nor any beneficial effects to result from LG&E's decommissioning plan. If anything, I can envision the river suffering greater disturbances from the demolition process than the renovation process.

Concerns over the impacts upon the river environment are **linked** to concerns for the broader environmental impacts of these proposals. Any power that could be produced at **this** facility would potentially eliminate the need for a proportional amount of **coal**, preventing the associated **environmental** and health impacts that go along with coal **mining** and combustion. **This** would be a great benefit from SEA's proposal.

The hydro project at **Lock No.7** can produce only a modest amount of electricity by modern standards. However, relative to the current scale of renewable energy production in Kentucky, **Lock No.7** represents a **significant** potential contribution. If SEA concludes that renovating and operating **this** facility is feasible, we would be **remiss** if we denied them the opportunity, because the social and environmental benefits **of** their proposal are numerous and significant.

**By saving** LG&E the expense and effort of decommissioning the facility at **Lock No.7**, SEA will be doing the corporation a service. It **seems** appropriate that LG&E should **consider** paying **SEA** for **this** service. A payment **no** more than **the** cost **of** decommissioning **would make** SEA's proposal the most economical option for LG&E. The prospect of **this** financial support would surely enhance the feasibility of the renovation for SEA. Supporting SEA in **this** endeavor would provide positive public relations for LG&E, **as** they can claim that they are supporting the development of renewable *energy* in Kentucky.

Thank you very much for your time and consideration. Please **keep** me informed of further developments with **this** project.

Sincerely,

Andy McDonald  
Kentucky Solar Partnership, Co-Coordinator  
Appalachia- Science in the Public Interest  
2235 Gregory Woods Rd.  
Frankfort, KY 40601  
**(502)227-4562**

cc: Mr. David Brown **Kinloch**, SEA  
**Mr.** Robert Fairchild, SEA

Mr. Marty Reinert  
LG&E Energy Corp.  
P.O. Box 32010  
Louisville, KY 40232

Received June 15, 2004  
Scanned 6/29/04

Dear Mr. Reinert,

I ~~am~~ writing you in response to an article in the Herald-Leader that said you ~~were~~ taking comments on your plans ~~to tear~~ down your hydro electric power station near Shakertown. In considering the environmental challenges facing our country, I think your plan to remove a hydroelectric power plant is probably short-sighted and hope this letter moves you to consider other options.

The article states that it would cost millions of dollars to get the plant running again, and it sounds like Kentucky Utilities feels that this isn't a good investment. What does it cost to build a new plant that burns coal and has such adverse effects on the planet? It seems to me ~~that~~ investing in the ~~Lock~~ 7 plant would be worthwhile, a pro-active, sound investment.

If, ~~as~~ the article suggests, Kentucky Utilities does not want to spend money to generate clean energy from this power plant, please consider options ~~to~~ the waste of tearing it down. The article suggests someone else wants to fix it up – if they ~~are~~ capable, why not give them the opportunity?. Kentucky needs conscientious public servants. I applaud that there are such in the public sector, and encourage you to be a ~~leader~~ among other energy providers in recognizing and encouraging them.

Please consider our environment when you make a decision on the power plant – let it serve us all again. Don't ~~tear~~ it down.

Sincerely,



Don Boklage  
981 Roye Ln.  
Harrodsburg, Kentucky 40330

June 19,2004

Marty J. Reinert  
LG&E Energy Corp.  
**P.O.Box 32010**  
Louisville, KY 40232

Dear Marty Reinert,

Please register my comments **as** being opposed to your plan to dismantle the Lock 7 plant.

I read in the *Lexington Herald-Leader* a few weeks ago that Kentucky Utilities plans to take down its Lock 7 hydroelectric generating station on the Kentucky River. What??? While most utilities are looking at adding power plants that use clean renewable energy, **KU** wants to dismantle one **of** the few clean power plants now in existence in the state??? ~~Has~~ **KU** forgotten environmental problems such **as** global warming and acid rain? I know you are aware that these problems are partly caused by power plants that burn coal. If our planet **is** to solve the pollution problems that now threaten every living thing, we need to build more power plants like Lock 7, not tear them down.

Beyond the global environmental problems caused by coal, **I** have concerns **on** a more personal level. I am asthmatic, and suffer greatly when the air pollution level goes up. When **I** lived in Louisville, I was hospitalized **4** times in **6** years because of the devastating air pollution in that city. I moved away from Louisville to escape that pollution.

Now, I live just down the road in Perryville from both KU's Lock 7 hydroelectric plant and the KU Brawn power plant that bums dirty coal. I am deeply concerned for my own health, that of my children, and the health of thousands of others in this area. The air we breathe will **be** more polluted if you remove the clean power plant, but leave the dirty plant running.

KU needs to be part of the solution to our pollution problems. The *Herald-Leader* article suggested that since KU didn't want to fix-up the Lock 7 plant, there may be other companies that would be willing to do it. **I** have heard of a company called Soft Energy that has proposed taking over the plant. KU should be on its knees thanking the Creator that someone else wants to fulfill this responsibility. If you won't **fix** up the Lock 7 plant and run it again, let someone else do it. But what ever you do, **PLEASE** do not tear down one of the few renewable energy plants in our region.

Sincerely,



Dr. Elizabeth L. MacNabb  
Centre College  
Wiseman 101  
**859-238-6234**

June 20, 2004

Marty J. Reinert  
LG + Energy Corporation  
P.O. Box 33010  
Louisville, KY 40232

Dear Mr. Reinert,

I urge you to consider repairing the Lock 7  
Hydroelectric plant. We should make renewable energy  
a priority.

Thank you for considering my views.

Yours truly

Richard Mitchell

206 Shady Lane  
Lexington, KY 40503-2035

(859) 323-5495

rjm@duky.edu.

6/20/04

Mandy J. Reinert

CU + E Energy  
Lexington, KY 40522

Dear Mr. ~~Reinert~~ Reinert,

I have been made aware of possible plans to tear down a hydroelectric plant which may be made functional with some repairs. KU has a chance to provide leadership on many more in the direction of ~~the~~ energy generation through renewable resources. I hope you will think about the long-term consequences of our current consumption of non-renewable resources. As a wise man once said,

"We do not inherit the earth from our fathers, we borrow it from our children."

Sincerely,  
Paul Vancelli

Paul Vancelli

2885 Ark Royal  
Lexington, KY 40523

June 22, 2004

Marty G. Reinert  
L&E Energy Corp.  
P.O. Box 32010  
Spokane, WA 99222

Dear Mr. Reinert -

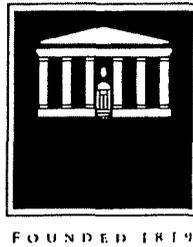
I am writing to you with  
you my concern over plans to  
lean down the inactive hydro-  
electric plant near Lock No. 7 on  
the Kootenai River. While I  
understand the cost to reno-  
vate it & its potential ability  
to generate power, however,  
I still see this as a step  
in the right direction. I  
feel we must reduce our  
reliance on non-renewable  
resources that create problems  
with pollution. I register  
my support for selling the  
plant to West Energy - a  
company that has a good

record in hydroelectric  
plant rehabilitation.

Genevieve,  
Judy Purvis  
9 Meadowbrook Rd.  
Frankfort, Ky  
40601

June 24, 2004

Marty J. Reinert  
LG&E Energy Corp.  
P.O. Box 32010  
Louisville, KY 40232



Received  
6/29/04

~~Dear~~ Mr. Reinert,

I have read the articles in both the Lexington *Herald-Leader* and the Dandle *Advocate-Messenger* about Kentucky Utilities' plans to dismantle the Lock 7 hydroelectric generating station on the Kentucky River. I was really disappointed to learn that KU petitioned to destroy one of the few clean power plants it **has**. Many utilities, responding to significant citizen concerns related to pollution, are seeking ways to move precisely in the opposite direction. Why not Kentucky Utilities? I want you to know that there is a significant consumer base here in Central Kentucky that would like to see KU move toward adding power plants that use clean renewable energy.

I **am** concerned that **as** our energy needs in Central Kentucky grow, the **air** we breathe will be more polluted if you remove the clean power plant, but leave the Brown coal-fired plant in operation. As an avid bicycler and the owner of a new hybrid gas-electric automobile far when I must drive, I **am** doing my small part to address the critical problems we face related to the combustion of fossil fuels. I **am** deeply concerned about global warming, acid rain, and the other unfortunate consequences related to coal burning power plants. I believe we **need** to diversify our energy sources—and that means more power plants like Lock 7, not fewer!

I understand from the articles that there are alternative proposals for purchase and renovation of the plant, since KU has apparently decided not to generate electricity from this clean and safe source. I **am** writing to urge you to consider these alternative proposals carefully. I want you **to** know that I, like many of my colleagues here at Centre College, **am** strongly in favor of alternative sources of renewable energy. **Our** region does not have enough of them. Please allow those companies that want to renovate the plant and generate electricity hydroelectrically to pursue their plan. This is my "neighborhood." I want to go on record **as** opposing the plan to dismantle the Lock 7 plant and favoring any viable plan for Lock 7 that **can** generate electricity for our region in a clean and safe way using renewable energy.

Sincerely,

  
Rick Axtell

Associate Professor of Religion and College Chaplain  
Centre College

511 N. MAPLE AVE.  
DANVILLE, Ky. 40422

859-239-9083

**Reinert, Marty**

---

**From:** Ediebingham@cs.com  
**Sent:** Sunday, June 27, 2004 3:49 PM  
**To:** Reinert, Marty  
**Cc:** Jim@shakervillageky.org  
**Subject:** FERC License #539

Dear Mr. Meinert:

I am a Jefferson County resident and therefore a user of LG. & E energy. I am also a long time Trustee of Shakertown at Pleasant Hill, very near the hydroelectric plant at Lock and Dam Number 7 on the Kentucky River. I am also a member of KFTC and have reviewed the information about future plans for the plant.

I urge your and our company to make wise decisions for the longer term future of the said plant. I oppose demolition of the existing renewable, nonpolluting hydroelectric station at Lock 7. I urge KU to either repair and operate the plant itself or transfer the license to another party that would do so. The paper difference in the two options is merely \$1.1 million. However, this does not include the cost of demolition, I am told, estimated at \$3.4 million. Actually, using your numbers it is more economical, non-polluting and more respectful of the important environment and historic considerations to repair the plant. How about being a "good citizen" and chalking up another success for long term benefits?

Thank you very much.

Sincerely,

Edith S. Bingham  
PO Box 64  
Glenview, Kentucky 40025  
502-893-3165

6/29/2004

Zoé Strecker  
413 Coghill Lane  
Harrodsburg, KY 40330  
(859)734-5271  
June 22, 2004

Received 6/29/04

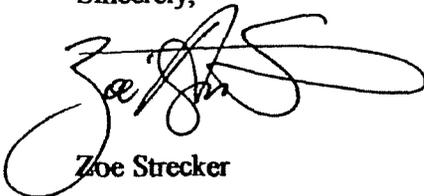
Marty J. Reinert  
LG&E Energy Corp.  
P.O. Box 32010  
Louisville, KY 40232

Mr. Reinert,

I would like to file written comments with **KU with respect to Kentucky Utilities' plans to tear down your Lock 7 hydroelectric plant. I attended the KU public meeting on May 13, 2004 and was disturbed to find that KU had done so little to find someone else to repair and operate the plant after KU decided not to rehabilitate the plant. I live near both Lock 7 Hydroelectric Station which KU wants to tear down, as well as KU's Brown Station, which dumps the pollution from burning coal into the air I breathe. By removing this clean power plant on the Kentucky River, KU will have to depend more heavily on coal, which will put more pollution into our air.**

I find KU's plans to be very irresponsible, both for its customer and the environment. While KU appears to be talking to a Louisville company about taking over the plant, I fear if this does not work out, KU will go ahead and try to tear down this clean power plant. Kentucky has so few plants that produce clean renewable energy. This plant should not be torn down and all efforts should be made to get it running again, either by KU or someone else that places more value on our renewable energy resources than KU does. If KU doesn't want to run the Lock 7 plant, please don't tear it down. Instead find someone who wants to run it and help clean up our air. The plant should not be removed, since in the future someone will want to run it, as Green Power becomes more important and valuable.

Sincerely,



Zoé Strecker

Received 126/04

# **Kentuckians For The Commonwealth**

**PO Box 1450 London, KY 40743 606.878.2161**

July 9, 2004

Marty S. Reinert  
LG&E Energy Corporation  
220 West Main Street  
P.O. Box 32010  
Louisville, KY 40232

Dear Mr. Reinert,

I am writing on behalf of Kentuckians for the Commonwealth (KFTC) to oppose KU's proposal to destroy the hydroelectric station at Lock Number 7 on the Kentucky River. Instead, KU should either repair it or transfer the license to another party that would repair and operate it to generate electricity.

If KU destroys the hydro station it will have to burn more coal. Mining, washing, transporting and burning coal has many negative environmental impacts that KU did not assess when it did its very brief environmental study for the demolition proposal.

The economic analysis KU used to justify demolition was faulty because it did not subtract the cost of demolition from the cost of repairing the station. Obviously, if KU were to repair the station it would not have to spend the money it would take to demolish it. The analysis therefore came to the incorrect conclusion that the repair option was uneconomical.

Destroying the hydroelectric station will harm KU's public relations. Most Americans support renewable energy sources and energy efficiency as compared to burning fossil fuels or using nuclear power. Customers will be sent the message that KU would rather burn more coal and pollute the air than repair an existing, environmentally safe energy source. In any case, KFTC believes that repairing the hydro station is a good idea.

For these reasons, we urge KU to withdraw its demolition proposal and repair or transfer the license of the hydroelectric station at Lock Number 7.

Sincerely,



Teri Blanton  
KFTC Chairperson

Received 7/26/04

FERC License # 539

416 Logan St.  
Frankfort, KY 40601  
July 9, 2004

Marty J. Reinert  
XGT E Energy Corporation  
PO Box 32030  
Louisville, KY 40232

Dear Mr. Reinert,

I am writing to urge Kentucky Utilities to repair its hydroelectric plant at Lock and Dam # 7 on the Kentucky River rather than demolishing it. Given the threats posed by global warming and the recent report that Kentucky already ranks second in the nation for deaths caused by coal-burning power plants, it would be a blatant disregard of Kentucky citizens' health and safety for KU to invest in new coal-fired plants

rather than renovating this hydroelectric plant.

Considering the cost of demolishing the hydroelectric plant, the \$4.5 million repair cost is the best economic option as well. As well as cleaner air, this choice prevents the environmental destruction of mining and cleaning coal.

Do the right thing for Kentucky's environment and the health of its citizens by investing in hydroelectric power,

Louise Chawla

cc: FERC

## THE CLIFTON CORPORATION

5250 Clifton-Glendale Road  
Spartanburg, South Carolina 29307-4618  
Tel. 864/579-4405 & Fax 864/579-1932  
E-mail: [Mike@CliftonPower.com](mailto:Mike@CliftonPower.com)

---

September 1, 2004

Mr. Michael S. Beer, Vice-President  
Rates and Regulatory  
LG&E Energy  
P.O. Box 32030  
Louisville, Kentucky 40232

RE: Kentucky Utilities Company (KU)  
Kentucky Lock & Dam No. 7 Hydropower Project  
FERC P-539

Dear Mr. Beer:

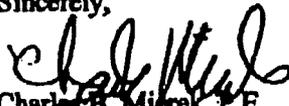
Last July I mailed to you a letter (copy attached) which expressed our interest in the Kentucky Lock & Dam No. 7 Hydropower Project. At that time I was told that KU had recently signed a 60 day option agreement regarding the project.

Since that agreement is about to expire in the next few days, I want to reiterate our desire to discuss with KU the status of the project. We continue to be interested in the project. If you do not have a binding commitment to dispose of the project at the end of the current 60 day agreement, please contact us.

We have extensive experience in the hydropower business with projects that are smaller and larger than L&D No. 7. We have rehabilitated several projects and are working on several others. Our most recent effort is the 24 MW Andrews project. Consequently, we are fully qualified to undertake the rehabilitation of the project.

Please call me at your earliest convenience.

Sincerely,

  
Charles B. Mierak, P.E.  
President



**Exhibit K**  
**Salt River Electric Cooperative Corporation Financial Statements**

**ALAN M. ZUMSTEIN**  
**CERTIFIED PUBLIC ACCOUNTANT**

1032 CHETFORD DRIVE  
LEXINGTON, KENTUCKY 40509  
(859) 264-7147

MEMBER:  
AMERICAN INSTITUTE OF CPAS  
INDIANA SOCIETY OF CPAS  
KENTUCKY SOCIETY OF CPAS  
AICPA DIVISION FOR FIRMS

Board of Directors  
Salt River Electric  
Cooperative Corporation  
Bardstown, Kentucky 40004

I have audited the financial statements of Salt River Electric Cooperative Corporation for the year ended December 31, 2004, and have issued my report thereon dated February 10, 2005. I conducted my audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, and 7 CFR Part 1773, Policy on Audits of the Rural Utilities Service (RTJS) Borrowers. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

In planning and performing my audit of the financial statements of Salt River Electric for the year ended December 31, 2004, I considered its internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on the internal control over financial reporting.

My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of the specific internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control over financial reporting that I consider to be a material weakness.

7 CFR Part 1773.33 requires comments on specific aspects of the internal control over financial reporting, compliance with specific RUS loan and security instrument provisions and other additional matters. I have grouped my comments accordingly. In addition to obtaining reasonable assurance about whether the financial statements are free from material misstatements, at your request, I performed tests of specific aspects of the internal control over financial reporting, of compliance with specific RUS loan and security instrument provisions and of additional matters. The specific aspects of the internal control over financial reporting, compliance with specific RUS loan and security instrument provisions, and additional matters tested include, among other things, the accounting procedures and records, materials control, compliance with specific RUS loan and security instrument provisions set forth in 7 CFR 1773.33(d)(1) related transactions, depreciation rates, a schedule of deferred debits and credits and a schedule of investments, upon which I express an opinion. In addition, my audit of the financial statements also included the procedures specified in 7 CFR Part 1773.38-.45. My

objective was not to provide an opinion on these specific aspects of the internal control over financial reporting, compliance with specific RUS loan and security instrument provisions, or additional matters, and accordingly, I express no opinion thereon.

No reports, other than my independent auditor's report, and my independent auditor's report on compliance and on internal control over financial reporting, all dated February 10, 2005, or summary of recommendations related to my audit have been furnished to management.

My comments on specific aspects of the internal control over financial reporting, compliance with specific RUS loan and security instrument provisions and other additional matters as required by 7 CFR 1773.33 are presented below.

### **Comments on Certain Specific Aspects of the Internal Control Over Financial Reporting**

I noted no matters regarding Salt River Electric's internal control over financial reporting and its operation that I consider to be a material weakness as previously defined with respect to:

- The accounting procedures and records;
- the process for accumulating and recording labor, material and overhead costs, and the distribution of these costs to construction, retirement and maintenance and other expense accounts; and,
- the material controls.

### **Comments on compliance with Specific RUS Loan and Security Instrument Provisions**

At your request, I have performed the procedures enumerated below with respect to compliance with certain provisions of laws, regulations and contracts. The procedures I performed are summarized as follows:

- Procedures performed with respect to the requirement for a borrower to obtain written approval of the mortgagee to enter into any contract for the operation or maintenance of property, or for the use of mortgaged property by others for the year ended December 31, 2004, of Salt River Electric.
  1. Obtained and read a borrower prepared schedule of new written contracts entered into during the year for the operation or maintenance of its property, or for the use of its property by others as defined in 1773.33 (e)(1)(i).
  2. Reviewed Board of Director minutes to ascertain whether board-approved written contracts are included in the borrower-prepared schedule.

**Comments on Compliance with Specific RUS Loan and Security Instrument Provisions, continued:**

3. Noted written RTJS approval was not obtained by the borrower for all the contracts listed. Salt River Electric's management informed me that RTJS approval was not required as the contracts related to operation or maintenance entered into during the normal course of business.
- Procedure performed with respect to the requirement to submit RUS Form 7 to RUS:
    1. Agreed amounts reported in RUS Form 7 to Salt River Electric's records as of December 31, 2004.

The results of my tests indicate that, with respect to the items tested, Salt River Electric complied in all material respects, with the specific RUS loan and security instrument provisions referred to below. With respect to items not tested, nothing came to my attention that caused me to believe that Salt River Electric had not complied, in all material respects, with those provisions. The specific provisions tested, as well as any exceptions noted, include the requirements that:

- the borrower has obtained written approval of RUS to enter into any contract for the operation and maintenance of all or any part of property, for the use of mortgaged property by others as defined in 1773.33 (d)(1)(i); and ,
- the borrower has submitted its RUS Form 7 to RUS and the Form 7, Financial and Statistical Report, as of December 31, 2004, represented by the borrower as having been submitted to RUS is in agreement with Salt River Electric's audited records in all material respects.

**Comments on Other Additional Matters**

In connection with my audit of the financial statements of Salt River Electric, nothing came to my attention that caused me to believe that Salt River Electric failed to comply with respect to:

- The reconciliation of continuing property records to the controlling general ledger plant accounts addressed at 7 CFR Part 1773.33(c)(1);
- the clearing of the construction accounts and the accrual of depreciation on completed construction addressed at 7 CFR Part 1773.33(c)(2);
- the retirement of plant addressed at 7 CFR Part 1773.33(c)(3) and (4);
- approval of the sale, lease or transfer of capital assets and disposition of proceeds for the sale, or lease of plant, material or scrap addressed at 7 CFR Part 1773.33(c)(5);

**Comments on Other Additional Matters**

- the disclosure of material related party transactions, in accordance with Statement of Financial Accounting Standards No. 57, Related Party Transactions, for the year ended December 31, 2004, in the financial statements referenced in the first paragraph of this report addressed at 7 CFR Part 1773.33(f);
- the depreciation rates addressed at 7 CFR 1773.33(g);
- the detailed schedule of deferred debits and deferred credits; and
- the detailed schedule of investments, of which there were none.

My audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The detailed schedule of deferred debits and deferred credits required by 7 CFR 1773.33(h) and provided below is presented for purposes of additional analysis and is not a required part of the basic financial statements. This information has been subjected to the auditing procedures applied in my audit of the basic financial statements and, in my opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The detailed deferred credits are listed below:

Consumer advances for construction	<u>\$291,187</u>
------------------------------------	------------------

\* \* \* \* \*

This report is intended solely for the information and use of the Board of Directors, management, RUS and supplemental lenders and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.



Alan M. Zumstein  
February 10, 2005

**Kentucky 21**  
**Salt River Electric**  
**Cooperative Corporation**  
**Bardstown, Kentucky**  
**Report on Audits of Financial Statements**  
**for the years ended December 31, 2004 and 2003**

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**ALAN M. ZUMSTEIN**  
**CERTIFIED PUBLIC ACCOUNTANT**

1032 CHETFORD DRIVE  
LEXINGTON, KENTUCKY 40509  
(859) 264-7147

MEMBER:  
AMERICAN INSTITUTE OF CPA'S  
INDIANA SOCIETY OF CPA'S  
KENTUCKY SOCIETY OF CPAS  
AICPA DIVISION FOR FIRMS

Board of Directors  
Salt River Electric  
Cooperative Corporation  
Bardstown, Kentucky 40004

Independent Auditor's Report

I have audited the balance sheets of Salt River Electric Cooperative Corporation, as of December 31, 2004 and 2003, and the related statements income and retained earnings and cash flows for the years then ended. These financial statements are the responsibility of Salt River Electric Cooperative Corporation's management. My responsibility is to express an opinion on these financial statements based on my audits.

I conducted my audits in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. **An** audit includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audits provide a reasonable basis for my opinion.

~~In my opinion,~~ the financial statements referred to above present fairly, in all material respects, the financial position of Salt River Rural Cooperative Corporation as of December 31, 2004 and 2003, and the results of operations and cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, I have also issued a report dated February 25, 2005, on my consideration of Salt River Electric Cooperative Corporation's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of my audit.



Alan M. Zumstein  
February 10, 2005

**ALAN M. ZUMSTEIN**  
**CERTIFIED PUBLIC ACCOUNTANT**

1032 CHETFORD DRIVE  
LEXINGTON, KENTUCKY 40509  
(8.59)264-7 147

MEMBER:  
AMERICAN INSTITUTE OF CPAS  
INDIANA SOCIETY OF CPA'S  
KENTUCKY SOCIETY OF CPAS  
AICPA DIVISION FOR FIRMS

Board of Directors  
Salt River Electric  
Cooperative Corporation  
Bardstown, Kentucky 40004

I have audited the financial statements of Salt River Electric Cooperative Corporation as of and for the years ended December 31, 2004 and 2003, and have issued my report thereon dated February 10, 2005. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

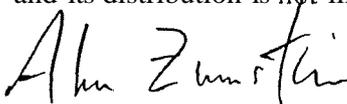
Compliance

As part of obtaining reasonable assurance about whether Salt River Electric Cooperative Corporation's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered Salt River Electric Cooperative Corporation's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control over financial reporting. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatement in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses.

This report is intended for the information of the audit committee, management, the Rural Utilities Service and supplemental lenders. However, this report is a matter of public record and its distribution is not limited.



Alan M. Zumstein  
February 10, 2005

Salt River Electric Cooperative Corporation  
Balance Sheets, December 31, 2004 and 2003

<u>Assets</u>	<u>2004</u>	<u>2003</u>
Electric Plant, at original cost:		
In service	\$92,442,405	\$87,943,228
Under construction	884,809	1,155,875
	<u>93,327,214</u>	<u>89,099,103</u>
Less accumulated depreciation	29,452,496	26,203,729
	<u>63,874,718</u>	<u>62,895,374</u>
Investments and Other Assets:		
Associated organizations	16,248,196	22,074,587
Others	4,622,543	1,183,113
	<u>20,870,739</u>	<u>23,257,700</u>
Current Assets:		
Cash and cash equivalents	7,585,404	6,716,935
Accounts receivable, less allowance for 2004 of \$125,000 and 2003 of \$100,000	7,190,298	6,284,465
Material and supplies, at average cost	754,736	814,546
Prepayments	242,010	109,580
	<u>15,772,448</u>	<u>13,925,526</u>
Prepaid pension costs	1,598,295	1,873,421
	<u>1,598,295</u>	<u>1,873,421</u>
Total	<u>\$102,116,200</u>	<u>\$101,952,021</u>
<u>Members Equities and Liabilities</u>		
Members' Equities:		
Memberships	\$1,359,190	\$1,272,540
Patronage capital	40,738,384	40,795,623
Other equities	1,958,148	1,637,930
	<u>44,055,722</u>	<u>43,706,093</u>
Long Term Debt	47,822,913	49,087,781
	<u>47,822,913</u>	<u>49,087,781</u>
Accumulated Postretirement Benefits	272,372	217,064
	<u>272,372</u>	<u>217,064</u>
Current Liabilities:		
Accounts payable	5,217,614	4,674,773
Current portion of long term debt	2,600,000	2,385,000
Consumer deposits	801,865	705,064
Accrued expenses	1,054,527	768,983
	<u>9,674,006</u>	<u>8,533,820</u>
Consumer Advances for Construction	291,187	407,263
	<u>291,187</u>	<u>407,263</u>
Total	<u>\$102,116,200</u>	<u>\$101,952,021</u>

The accompanying notes are an integral part of the financial statements.

Statements of Revenue and Patronage Capital  
for the years ended December 31, 2004 and 2003

	<u>2004</u>	<u>2003</u>
Operating Revenues	<u>\$55,071,525</u>	<u>\$49,404,388</u>
Operating Expenses:		
Cost of power	39,252,829	34,225,783
Distribution - operations	2,053,210	1,934,403
Distribution - maintenance	2,231,817	1,872,065
Consumer accounts	1,672,472	1,591,762
Customer service and information	151,995	144,603
Sales	300,717	225,731
Administrative and general	2,361,993	2,115,782
Depreciation, excluding \$287,252 in 2004 and \$270,783 in 2003 charged to clearing accounts	4,132,622	3,917,624
Taxes, other than income	55,735	55,937
Other deductions	<u>62,093</u>	<u>43,847</u>
	<u>52,275,483</u>	<u>46,127,537</u>
Operating margins before interest charges	<u>2,796,042</u>	<u>3,276,851</u>
Interest Charges:		
Interest on long-term debt	<u>2,105,563</u>	<u>1,812,472</u>
Operating margins after interest charges	<u>690,479</u>	<u>1,464,379</u>
Patronage Capital assigned from:		
East Kentucky Power Cooperative	-	2,490,690
Other organizations	<u>196,652</u>	<u>137,768</u>
	<u>196,652</u>	<u>2,628,458</u>
Net operating margins	887,131	4,092,837
Nonoperating Margins:		
Interest income	550,407	266,848
Others	<u>138,783</u>	<u>161,514</u>
	<u>689,190</u>	<u>428,362</u>
Net Margins	1,576,321	4,521,199
Patronage Capital - beginning of year	40,795,623	37,841,339
General retirement of capital credits	(1,503,272)	(1,466,481)
Retirements to estates of deceased members	<u>(130,288)</u>	<u>(100,434)</u>
Patronage Capital - end of year	<u>\$40,738,384</u>	<u>\$40,795,623</u>

The accompanying notes are an integral part of the financial statements.

Statements of Cash Flows  
for the years ended December 31, 2004 and 2003

	<u>2004</u>	<u>2003</u>
Cash Flows from Operating Activities:		
Net margins	\$1,576,321	\$4,521,199
Adjustments to reconcile to net cash provided by operating activities:		
Depreciation		
Charged to expense	4,132,622	3,917,624
Charged to clearing accounts	287,252	270,783
Patronage capital credits	(196,652)	(2,628,458)
Change in assets and liabilities:		
Receivables	(905,833)	(1,822,536)
Material and supplies	59,810	(118,995)
Prepayments	(132,430)	11,248
Prepaid pension cost	275,126	282,862
Accumulated postretirement benefits	55,308	30,442
Payables	542,841	837,048
Consumer deposits	96,801	93,041
Accrued expenses and advances	169,468	333,193
	<u>5,960,634</u>	<u>7,367,451</u>
Cash Flows from Investing Activities:		
Construction of plant	(5,527,630)	(6,394,102)
Salvage recovered from plant retired	128,412	74,439
Purchase of Capital Term Certificates	(78,203)	(846,287)
Purchase of other investments, net	236,990	400,746
	<u>(5,240,431)</u>	<u>(6,765,204)</u>
Cash Flows from Financing Activities:		
Net increase in memberships	86,650	83,570
Retirements of capital credits	(1,633,560)	(1,566,916)
Other equities	320,218	144,899
Receipts from (purchase of) notes	2,424,826	(6,000,000)
Additional borrowings	1,468,000	10,201,000
Payments on long-term debt	(2,517,868)	(1,055,103)
Cushion of credit payment	-	(3,500,000)
	<u>148,266</u>	<u>(1,692,550)</u>
Net increase in cash	868,469	(1,090,303)
Cash balances - beginning of period	<u>6,716,935</u>	<u>7,807,238</u>
Cash balances - end of period	<u><u>\$7,585,404</u></u>	<u><u>\$6,716,935</u></u>
Supplemental cash flows information:		
Interest paid on long-term debt	\$2,102,919	\$1,762,520

The accompanying notes are an integral part of the financial statements.

## 1. Summary of Significant Accounting Policies

Salt River maintains its records in accordance with policies prescribed or permitted by the Kentucky Public Service Commission (PSC) and the United States Department of Agriculture, Rural Utilities Service (RUS), which conform in all material respects with generally accepted accounting principles. The more significant of these policies are as follows:

### Electric Plant

Electric plant is stated at original cost, less contributions, which is the cost when first dedicated to public service. Such cost includes applicable supervisory and overhead costs. There was no interest required to be capitalized on construction for the year.

The cost of maintenance and repairs, including renewals of minor items of property, is charged to operating expense. The cost of replacement of depreciable property units, as distinguished from minor items, is charged to electric plant. The cost of units of property replaced or retired, including cost of removal net of any salvage value, is charged to accumulated depreciation.

The major classifications of electric plant in service consisted of:

	<u>2004</u>	<u>2003</u>
Distribution plant	\$84,154,622	\$79,768,671
General plant	<u>8,287,783</u>	<u>8,174,557</u>
Total	<u>\$92,442,405</u>	<u>\$87,943,228</u>

### Depreciation

Provision has been made for depreciation on the basis of the estimated lives of assets, using the straight-line method. Depreciation rates are as follows:

Distribution plant	2.2% - 5%
Structures and improvements	2% - 2.5%
Transportation equipment	16%
Other general plant	6% - 16%

### Statement of Cash Flows

For purposes of the statement of cash flows, Salt River considers temporary investments having a maturity of three months or less to be cash equivalents.

Continued

**1. Summary of Significant Accounting Policies, continued**

**Revenue**

Salt River records revenue as billed to its members based on monthly meter readings. Salt River's sales are concentrated in portions of eight counties of central Kentucky. There were no consumers whose individual account balance exceeded 10% of outstanding accounts receivable at December 31, 2004 or 2003. Certain consumers are required to pay a refundable deposit. Payments are due 20 days from the date of billing, at which time a disconnect notice is sent with payment to be within 10 days. If not paid, then consumers are subject to disconnect. Accounts are written off when they are deemed to be uncollectible. The allowance for uncollectibles is based on the aging of receivables.

**Cost of Power**

Salt River is one of sixteen members of East Kentucky Power Cooperative, Inc. (East Kentucky). Under a wholesale power agreement, Salt River is committed to purchase its electric power and energy requirements from East Kentucky until 2025. The rates charged by East Kentucky are subject to approval of the PSC. The cost of power is recorded monthly during the period in which the energy is consumed, based upon billings from East Kentucky.

**Fair Value of Financial Instruments**

Financial instruments include cash, temporary investments and long-term debt. Investments in associated organization are not considered a financial instrument because they represent non-transferable interests in associated organizations.

The carrying value of cash and temporary investments approximates fair value because of the short maturity of those instruments.

**Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates used in the preparation of the financial statements.

**Off Balance Sheet Risk**

Salt River has off-balance sheet risk in that they maintain cash deposits in financial institutions in excess of the amounts insured by the Federal Deposit Insurance Corporation (FDIC).

Continued

**1. Summary of Significant Accounting Policies, continued****Income Tax Status**

Salt River is exempt from the payment of federal and state income taxes under provisions of Section 501(c)(12). Accordingly, the financial statements include no provisions for income taxes.

**Risk Management**

Salt River is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

Salt River carries commercial insurance for all risks of loss, including workers' compensation, general liability and property loss insurance. As is customary in the utility industry, Electric Plant is not insured. Settled claims resulting from these risks have not exceeded commercial insurance coverage in 2004 or 2003.

**Advertising**

Salt River expenses advertising costs as incurred. Advertising costs were \$470,208 for 2004 and \$202,793 for 2003.

**2. Investments in Associated Organizations**

Investments in associated organizations consisted of:

	<u>2004</u>	<u>2003</u>
Associated organizations:		
East Kentucky Power Cooperative, Inc.		
Patronage capital allocated	\$13,998,753	\$13,998,753
Note receivable, 3.10% interest, 1 year	-	6,000,000
National Bank for Cooperatives (CoBank):		
Class "E" stock	1,038,824	984,446
National Rural Utilities, Cooperative Finance Corporation (CFC) certificates and allocations	925,490	847,287
Other associated organizations	<u>285,129</u>	<u>244,101</u>
Total	<u>\$16,248,196</u>	<u>\$22,074,587</u>

Salt River records patronage capital assigned by associated organizations in the year in which such assignments are received.

Continued

**3. Other Assets**

Other investments consisted of:

	<u>2004</u>	<u>2003</u>
Non utility property, net of depreciation	\$309,425	\$330,355
Economic development loans, no interest, various due in 108 months from date of loan	1,137,944	852,758
County of Nelson, Kentucky note dated July 26, 2006 due on or before 5 years, interest rate 1% over U.S. Treasury rate, currently 3.07%	<u>3,175,174</u>	<u>-</u>
	<u>\$4,622,543</u>	<u>\$1,183,113</u>

The note to County of Nelson is secured by four (4) tracts of land totaling 424 acres in an industrial site. The note is due and payable on or before five (5) years after the date of note, with the option to extend the due date for two (2) additional five year periods. Payments will be made to Salt River at the time real estate, or a portion thereof, is sold or leased, at which time, based on the value of the property sold or leased, in proportion to the contribution value of the entire property.

**4. Patronage Capital**

Patronage capital consisted of:

	<u>2004</u>	<u>2003</u>
Assigned to date	\$50,699,350	\$46,178,150
Assignable	1,576,321	4,521,199
Retirements to date	(11,814,882)	(10,181,321)
Unassigned	<u>277,595</u>	<u>277,595</u>
Total	<u>\$40,738,384</u>	<u>\$40,795,623</u>

Under provisions of the long-term debt agreement, return to patrons of capital contributed by them is limited to amounts which would not allow the total equities and margins to be less than 30% of total assets, except that distributions may be made to estates of deceased patrons. The debt agreement provides, however, that should such distributions to estates not exceed 25% of net margins for the next preceding year, Salt River may distribute the difference between 25% and the payments made to such estates. At December 31, 2004, the equities and margins were 43% of total assets.

Continued

**5. Long Term Debt**

Substantially all assets are pledged as collateral on the long term debt to RIJS, CoBank and CFC under a joint mortgage agreement. During 2003, Salt River refinanced \$14,442,188 of RUS loans at 5% interest with funds advanced from CFC. Long term debt consisted of:

	<u>2004</u>	<u>2003</u>
First mortgage notes due RUS:		
1.125% to 5.75% (1.00 to 5.75% in 2003)	\$25,900,207	\$25,374,519
Advance payment	<u>(5,324,800)</u>	<u>(5,058,992)</u>
	<u>20,575,407</u>	<u>20,315,527</u>
First mortgage notes due CoBank:		
3.90% - 8.90% (2.71 - 8.90% in 2003)	<u>16,197,686</u>	<u>16,352,104</u>
First mortgage notes due CFC:		
2.80% - 5.50%	<u>12,997,969</u>	<u>14,442,188</u>
Economic development loan, no interest	<u>651,851</u>	<u>362,962</u>
	50,422,913	51,472,781
Less current portion	<u>2,600,000</u>	<u>2,385,000</u>
Total long-term portion	<u>\$47,822,913</u>	<u>\$49,087,781</u>

The long-term debt payable to RUS and CoBank is due in quarterly and monthly installments of varying amounts through 2039. The long term debt payable to CFC is due in nine (9) annual installments of \$1,444,218 each until 2011. Salt River had no unadvanced loan funds available at December 31, 2004.

Salt River is participating in a RUS sponsored program which provides economic development funds to businesses in Salt River's service area. Salt River serves as a conduit for these funds and is contingently liable if the recipient fails to repay the loan.

As of December 31, 2004, annual current portion of long term debt outstanding for the next five years are as follows: 2005 - \$2,600,000; 2006 - \$2,600,000; 2007 - \$2,650,000; 2008 - \$2,700,000; 2008 - \$2,750,000.

**5. Short Term Borrowings**

At December 31, 2004, Salt River had a short term line of credit of \$4,000,000 available from CoBank. All borrowings against this line of credit have been repaid during the audit period.

Continued

**6. Pension Plan**

Salt River sponsors a defined benefit pension plan which covers substantially all employees. The plan has a pay-related pension benefit formula. Pension contributions are determined based on normal cost plus amortization of past service liabilities. As the result of excess funding, there have been no contributions to the plan since August 1988.

The changes in the pension benefit obligation for the year were as follows:

	<u>2004</u>	<u>2003</u>
Obligations at beginning of year	<u>\$7,324,327</u>	<u>\$6,034,599</u>
Change in benefit obligations:		
Service cost	389,682	355,361
Interest cost	467,037	428,340
Actuarial (gains) losses	749,809	592,300
Contributions to plan	-	-
Benefit payments	886,180)	(86,273)
Other	-	-
	<u>720,348</u>	<u>1,289,728</u>
Obligations at end of year	<u><u>\$8,044,675</u></u>	<u><u>\$7,324,327</u></u>

The change in fair value of plan assets are as follows:

Fair value at beginning of year	<u>\$7,063,937</u>	<u>\$6,305,696</u>
Change in fair value:		
Actual return on plan assets	1,050,469	884,612
Benefits paid	(886,180)	(86,273)
Administrative expenses	(65,664)	(40,098)
	<u>98,625</u>	<u>758,241</u>
Fair value at end of year	<u><u>\$7,162,562</u></u>	<u><u>\$7,063,937</u></u>

The funded status of the plan was as follows:

Plan assets at fair value	\$8,044,675	\$7,324,327
Fair value of plan assets	<u>7,162,562</u>	<u>7,063,937</u>
Funded status	(882,113)	(260,390)
Unrecognized transition obligation	(110,238)	(220,475)
Unrecognized prior service cost	-	4,446
Unrecognized net (gain) loss	<u>2,590,645</u>	<u>2,349,839</u>
Prepaid pension asset (liability)	<u><u>1,598,294</u></u>	<u><u>1,873,420</u></u>

Continued

**6. Pension Plan, continued**

The net amount recognized in included is as follows:

	<u>2004</u>	<u>2003</u>
Prepaid pension cost at beginning of year	\$1,873,420	\$2,156,282
Net periodic pension cost:		
Service cost	389,682	355,361
Interest cost	467,037	428,340
Expected return on assets	(608,432)	(548,541)
Amortization of transition asset	(1 10,237)	(1 10,237)
Amortization of prior service cost	4,446	4,446
Amortization of (gain) loss	132,630	153,493
	<u>275,126</u>	<u>282,862</u>
Prepaid pension cost at end of year	<u>\$1,598,294</u>	<u>\$1,873,420</u>

The assumptions used to determine net periodic pension cost is as follows:

Discount rate	6.00%	6.50%
Expected return on plan assets	8.50%	8.75%
Rate of compensation increase	3.50%	3.50%

The following estimated future benefit payments, which reflect expected future service, as appropriate, are expected to be paid in the years indicated: 2005 - \$225,000; 2006 - \$225,000; 2007 - \$240,000; 2008 - \$275,000; 2009 - \$315,000.

**7. Savings Plan**

Salt River sponsors a savings plan covering all employees who are covered by a collective bargaining agreement and who meet certain length of service requirements. This salary deferral plan provides a 2% contribution by Salt River based on eligible employee wages. Salt River contributed \$40,836 in 2004 and \$39,399 in 2003 to this plan.

Salt River also sponsors a plan covering all eligible employees not covered by a collective bargaining agreement which allows an employee salary deferral and also provides a 6% Salt River contribution based on the eligible employee wages. Salt River's contribution is made on behalf of the employee regardless of their decision to participate with elective salary deferral contributions. Salt River contributed \$72,296 for 2004 and \$66,056 for 2003 to this plan.

Continued

**8. Accumulated Postretirement Benefits**

Salt River sponsors a defined benefit Postretirement health care plan covering all retired employees under the age of 65 who worked 30 or more years for Salt River. The plan for retirees is a continuation of the fully insured program now in place for active employees.

The following is a reconciliation of the postretirement benefit obligation for 2004 and 2003:

	<u>2004</u>	<u>2003</u>
Postretirement benefit (prepayment) obligation:		
Balance, beginning of period	<u>\$217,064</u>	<u>\$186,622</u>
Recognition of components of net periodic postretirement benefit cost:		
Service cost	20,000	8,000
Interest cost	30,000	20,000
Amortization of gains or losses	<u>25,000</u>	<u>22,000</u>
	75,000	50,000
Benefits paid to participants	<u>(19,692)</u>	<u>(19,558)</u>
Net periodic benefit cost	<u><u>\$272,372</u></u>	<u><u>\$217,064</u></u>
	<u>2004</u>	<u>2003</u>
Accumulated postretirement benefit obligation	\$781,000	\$703,000
Plan assets at fair value	-	-
Funded status	<u>781,000</u>	<u>703,000</u>
Unrecognized net gain from changes in assumptions	<u>(508,628)</u>	<u>(485,936)</u>
Accrued postretirement benefit cost	<u><u>\$272,372</u></u>	<u><u>\$217,064</u></u>

The discount rate used in determining the APBO was 6.5% for 2004 and 7.0% for 2003. The health care cost trend rate used to compute the APBO is an 8% annual rate of increase for 2004, and decreasing gradually to 5.5% in 2005 and remain at that level thereafter.

**9. Rent**

Salt River leases its non utility property to an unrelated party. The lease dated, June 1, 2003 is for a period of 26 months, with renewal options on a monthly basis. The lease is an operating lease with monthly payments of \$3,516 per month.

Continued

**10. Lease**

Salt River leases space for one of its branch offices from an unrelated party. The lease, dated January 1, 2004, is for a period of 5 years, with an option to renew for 2 successive 5 year periods. The lease is an operating lease with monthly payments of \$615 per month, with 3% increases each year of the lease.

Salt River exercised the option to lease space for another of its branch offices from an unrelated party. The lease, commencing July 1, 1997 is for a three year period, with options for additional three year lease terms. The lease is an operating lease with monthly payments of \$650 per month.

**11. Related Party Transactions**

Several of the Directors of Salt River, the President & CEO and another employee are on the board of directors of various associated organizations.

**12. Commitments and Contingencies**

Salt River is contingently liable as guarantor for approximately \$985,000 of long-term obligations of East Kentucky to RUS, and National Rural Utilities Cooperative Finance Corporation. Substantially all assets of Salt River are pledged as collateral for this guarantee, in addition to the pledge in the mortgage agreement referred to in Note 4. This contingent liability was part of an overall financing plan for the construction of generating facility near Maysville, Kentucky.

Salt River also has various other agreements outstanding with local contractors. Under these agreements, the contractors will perform certain construction and maintenance work at specified hourly rates or unit cost, or on an as needed basis. The duration of these contracts are one to three years.

**13. Subsequent Events**

During January 2005, Salt River purchased approximately 75 acres of land in the amount of \$1.3 million for the purpose of economic development.



**Exhibit L**  
**Shaker Landing Hydro Associates, Inc.**  
**Founding Principals and Work Experience**

## **EXPERIENCE OF SHAKER LANDING HYDRO ASSOCIATES**

Shaker Landing Hydro Associates, Inc. is a Kentucky based S-Corporation set up by the three partners of Soft Energy Associates, specifically to renovate and operate the Lock 7 hydroelectric plant. Soft Energy Associates is involved in the development of renewable energy and has extensive experience with FERC regulated hydroelectric plants. Following is a partial list of the projects Soft Energy Associates has worked on:

- Weisenberger Mill - Project No. 9684 – Obtained License Exemption, designed and constructed Kentucky’s first PURPA qualified small hydro project.
- Falls of Rough – Project No. 9785 – Application for License Exemption – withdrawn after applicant changed ownership and chose to not pursue the project.
- Holliday Plant – Project No. 10867 – Obtained License and prepared restoration project - License was surrendered after owner was purchased and new management refused to sign negotiated lease.
- Taylorsville Lake – Project No. 11684 – Obtained Preliminary Permit and worked 7 years with the Corps of Engineers and consulting agencies. When certain issues specific to this site could not be resolved, technologies developed for this project were transferred to Cave Run Lake and Green River Lake projects.
- Stockport Mill – Project No. 11685 – Obtained License, designed and constructed Ohio’s first small hydroelectric project after electric deregulation.
- Green River L&D 5 – Project No. 12096 – Obtained Preliminary Permit – Surrendered at the request of Consulting Agencies due to endangered species concerns.
- Green River L&D 3 – Project No. 12097 – Obtained Preliminary Permit – Surrendered at the request of Consulting Agencies due to endangered species concerns.
- Barren River L&D 1 – Project No. 12409 – Obtained Preliminary Permit – Surrendered at the request of Consulting Agencies due to endangered species concerns.
- Green River Lake – Project No. 12446 – Obtained Preliminary Permit which is currently active.
- Cave Run Lake – Project No. 12472 – Obtained Preliminary Permit which is currently active.

## **PARTNERS IN SHAKER LANDING HYDRO ASSOCIATES:**

### **David Brown Kinloch**

8 / 1979 Master of Engineering in Mechanical Engineering – Rensselaer Polytechnic Institute  
8 / 1981 Master of Science in Science, Technology and Values – Rensselaer Polytechnic Institute  
5 / 1978 Bachelor of Science in Mechanical Engineering – Rensselaer Polytechnic Institute  
5 / 1978 Bachelor of Science in Philosophy – Rensselaer Polytechnic Institute

10 / 1986 to Present – President of Soft Energy Associates – Involved in Renewable Energy  
Development and Consulting

8 / 2004 to Present – President and Treasurer of Shaker Landing Hydro Associates, Inc.

2 / 2005 to Present – President and CEO of Lock 7 Hydro Partners, LLC

### **Robert J. Fairchild**

5 / 1984 Master of Science in Science, Technology and Values – Rensselaer Polytechnic Institute  
5 / 1982 Bachelor of Science in Mechanical Engineering – Rensselaer Polytechnic Institute

9 / 1987 to Present – Vice President of Engineering, Soft Energy Associates  
– Involved in Renewable Energy Development and Consulting

1 / 1987 to Present – Executive Director, Eastern Kentucky Appropriate Technologies  
– Non-Profit Technical Outreach Program

8 / 2004 to Present – Vice President of Shaker Landing Hydro Associates, Inc.

### **David K. Coyte**

5 / 1977 Bachelor Degree – Indiana University

1 / 1978 Started Black Dog Woodworking - Independent Construction Company

1 / 2000 Started working with Soft Energy Associates on Taylorsville Lake Project

5 / 2001 to Present – Vice President of Construction, Soft Energy Associates  
– Involved in Renewable Energy Development and Consulting

8 / 2004 to Present – Secretary of Shaker Landing Hydro Associates, Inc.



**Attachment 2**

**General Warranty Deed**

**Attachment 2**

**General Warranty Deed**

*[Faint, illegible text, likely bleed-through from the reverse side of the page]*

10985



# WARRANTY DEED

KENTUCKY HYDRO ELECTRIC COMPANY

TO

KENTUCKY UTILITIES COMPANY

DATED DECEMBER 31, 1928

*Filed 11, 1929  
Lodged for record at 2:35 o'clock, P.M.  
D. L. Meunagh, clk  
By D. L. Meunagh*

*DB. 104 P. 465*

This DEED dated the 31st day of December, 1928, between KENTUCKY HYDRO ELECTRIC COMPANY, a corporation organized and existing under and by virtue of the laws of the State of Delaware, Grantor herein, of the first part, and KENTUCKY UTILITIES COMPANY, a corporation organized and existing under and by virtue of the laws of the State of Kentucky, Grantee herein, of the second part;

W I T N E S S E S :

That for a valuable consideration, receipt of which is hereby acknowledged, the party of the first part does hereby convey unto the party of the second part, in fee simple and with covenant of General Warranty, the following described property and rights:

*First:* All cash of the Grantor on hand and on deposit with banks or trust companies.

*Second:* All contracts, accounts receivable, bills receivable, credits, and choses in action of every kind whatsoever now belonging to or owing to or hereafter accruing to the said Grantor, hereby authorizing said Kentucky Utilities Company in the name of the Grantor, or otherwise, to collect, receive, sue for, and receipt for any and all moneys which may be due or may hereafter become due to the said Grantor on said contracts, accounts receivable, bills receivable, credits and choses in action, or any of them.

*Third:* All and singular the hydro electric plant and system of the Grantor in Dix River in Mercer and Garrard Counties, Kentucky, and the hydro electric plant and system of the Grantor located at Dam No. 7 in the Kentucky River in Mercer County, Kentucky, with the transmission lines located in Mercer, Garrard, Jessamine, Fayette, Anderson, Shelby and Jefferson Counties, Kentucky, and any and all other transmission lines and distribution systems of the Grantor, together with all leases, rights-of-way, licenses, permits, structures, buildings, engines, boilers, condensers, generators, meters, transformers, pumps, machinery, appliances, tools, pipes, conduits, insulators, poles, wires, lamps, equipment, supplies, property, contracts, ordinances, franchises, rights,

privileges and easements in any wise appertaining to said electric plants, distribution systems and transmission lines, or any of them, and the operation thereof.

*Fourth:* The real estate situated in Mercer County, Kentucky, and described as follows:

Item No. 1: Beginning at a locust post corner to Ulysses G. Epperson and running with his line, the west edge of a road S. 21 degrees W. 2.58 chains; thence S. 2 degrees W. 7.2 chains; thence S. 24½ degrees E. 3 chains; thence S. 31½ E. 8 chains; thence S. 54 E. 2.32 chains; thence leaving the road still with Epperson's line S. 12 degrees W. 8.93 chains to his corner in John Warren Curd's line; thence with his line N. 88½ E. 47 chains to Dix River; thence down same as it meanders N. 8 degrees W. 5 chains; thence N. 30 W. 7.5 chains; thence N. 48 W. 5 chains; thence N. 66 W. 7 chains; thence S. 84 W. 18 chains; thence N. 76 W. 12 chains; thence N. 15 W. 5 chains and N. 28 E. 12.5 chains to the old L. P. Worley corner in said River; thence leaving the River and running with the old L. P. Worley line N. 74 W. to the point of beginning, being the same property conveyed to Dix River Power Company by David Motley, et al, by deed dated July 24, 1923, and recorded in Deed Book 100, page 281, in the office of the Clerk of Mercer County Court.

Item No. 2: Near, on and East of the Danville and Dix River Turnpike or the Curdsville Turnpike and particularly described thus:

A 100-foot strip of land extending 50 ft. on each side of the center line herein described, to-wit: From a point 904.5 ft. N. of the S. W. corner of the property of Epperson in Mercer County, Ky., by a curve to the right of 22292.01 radius (2 degrees, 30 minutes) for a distance of 71.62 ft. in an easterly direction, thence Easterly 351.76 ft., thence 147.92 ft. by a curve of 478.34 radius (12 degrees) to the left; thence 64.70 ft.; thence 200.00 ft., southeasterly by a curve to the right of 410.28 ft. radius (14 degrees); thence 500.00 ft. southeasterly and southerly by a curve to the right of 359.26 radius (16 degrees); thence southerly 192.50 ft.; thence southerly

27.50 ft.; to the E. & W. line between the property of said Epperson and the property of Warren Curd at a point 1139 ft. from the N. W. corner of the latter, all above described curves being tangent to the straight lines connecting same, being a total length of 1556.00 and comprising 3.37 acres.

Item No. 3: Beginning at a point in the line of fence and property line between John Curd and U. G. Epperson and which point is 47.4 feet on a line N. 35½ E. from the fence line between J. Warren Curd and U. G. Epperson at the East end of the roadway of U. G. Epperson, thence through the land of U. G. Epperson, viz.: N. 66 degrees 14 min. E. 524 ft. to fence corner of U. G. Epperson and J. Warren Curd, thence with their line S. 3 degrees 14 minutes E. 45.00 feet to a stake in the fence line between said parties, thence leaving the line of said Curd S. 66 degrees 14 minutes W. 517 feet again to the line between J. Warren Curd and U. G. Epperson, thence with same N. 85½ W. 32 feet to a stake, thence crossing the East end of roadway of said Epperson, and extending with the line of John Curd and U. G. Epperson No. 35½ E. 47.4 feet to the beginning. This strip of land has a uniform width of 40 feet from end to end, and contains .49 of one acre.

Item No. 4: The perpetual right to use, improve and maintain in common with others, the following described passway: Beginning at a stone original corner to the land of J. V. M. Curd, deceased, and corner to the Green B. Harvey lands and running thence with said J. V. M. Curd line N. 85 W. 10 chains to the center of the Danville and Dix River Turnpike; thence with the center of same at right angles N. 5 E. 30 links or 20 feet to corner to Artis Curd land; thence leaving the Turnpike and running with said Artis Curd line S. 85 E. 10 chains to a stone, corner to same; thence S. 55½ W. 30 links or 20 feet to the beginning, and containing .3 of an acre.

The foregoing three parcels of land are the same conveyed to Dix River Power Company by deed from U. G. Epperson and wife, dated July 23, 1923, and recorded in Deed Book 100, page 297, in the office of the Clerk aforesaid.

Company by deed dated July 24, 1923, from David Motley; thence with said line S. 88½ degrees W. 1292 feet to a stone monument in said line; thence leaving said Motley line and extending a new line through land of J. Warren Curd S. 6¾ degrees W. 1347 feet to a stone monument in line between lands of J. Warren Curd and Dix River Power Company (formerly owned by Joseph T. Curd); thence with the line between the land formerly owned by Joseph T. Curd and the tract herein conveyed S. 88½ degrees East 595 feet to the point of beginning, and containing 39.52 acres of land, more or less.

Item No. 7: A strip of ground 40 feet wide lying adjacent to and immediately south of the South line of U. G. Epperson farm and the David Motley land, now owned by Dix River Power Company, and being East of the Curdsville Turnpike and beginning at a fence post, corner to U. G. Epperson and also corner to a roadway conveyed by U. G. Epperson to Dix River Power Company, thence with the line of said roadway and line of J. Warren Curd South 3 deg. 14 min. E. 45 feet to a corner to said roadway; thence Eastwardly through the J. Warren Curd land and parallel with the South line of Eppersons farm at a uniform distance of 40 feet from said South line, for a distance of 36.76 chains, more or less, plus 100 feet, to a point 100 feet Eastwardly from a point projected 40 feet directly South of a stone corner between the Epperson and David Motley lands, now Dix River Power Company, which stone is Epperson's South-East corner; thence due North a distance of 40 feet to the South line of said Motley tract; thence N. 88 degrees W. 100 feet with the South line of the said Motley lands and thence continuing with the South line of Epperson's farm 36.76 chains, more or less, to the point of beginning, and containing 2.2 acres of land, more or less.

The conveyance of this parcel is subject to the reservation and agreement contained in the deed to Dix River Power Company in the following language, to-wit:

"J. Warren Curd and Pearl M. Curd, for themselves and their successors in title, reserve the perpetual right to use the roadway hereby granted and shall also have

Item No. 5: Beginning at the Eastern termination of the division line between J. Warren Curd and Joseph T. Curd, which is in the middle of Dix River and running thence with the Eastern line of J. Warren Curd, being the middle of said river, Northwardly to a point in the arc of a circle whose center is a nail driven in a sycamore tree on the East bank of said river; and in line of proposed dam as shown by blue print of Dix River Power Company and whose radius is Nine Hundred feet (900 ft.), thence leaving the center of said river and running in a Westerly course with the arc of said circle drawn with said radius of 900 ft. until it intersects the said division line between said J. Warren Curd and Joseph T. Curd, which point is about 840 feet West of the beginning point, more or less, and running thence from said point of intersection S. 89 degrees West to the point of beginning, containing 4.10141 acres, being the same property conveyed to Dix River Power Company by Warren Curd, et. al., by deed dated February 20th, 1913, and recorded in Deed Book 86, page 127, in the office of the Clerk of Mercer County Court.

Item No. 6: On Dix River and lying between the lands of Dix River Power Company on the North (formerly David Motley) and the same Company on the south (formerly Joseph T. Curd) and particularly described as follows:

Beginning at a point in the arc of a circle, the radius of which is 900 feet and its center is a sycamore tree on the east bank of Dix River, being the sycamore tree and the arc of a circle mentioned in deed from Joseph T. Curd to Dix River Power Company, recorded in Deed Book No. 86, page 139, Mercer County Clerk's office, and which is the beginning point called for in deed from said Joseph T. Curd to Dix River Power Company, dated July 24, 1923; thence extending with the arc of said circle a Northeasterly and Easterly direction 985 feet, more or less, to high water line on the bank of Dix River; thence down Dix River with high water line N. 5 degrees East 475 feet; thence N. 15½ degrees W. 315 feet; thence N. 5¾ degrees W. 265 feet to an intersection with the line of land purchased by Dix River Power

the right to pass over the roadway granted to Dix River Power Company by U. G. Epperson, so as to travel to and from the Curdsville Turnpike. Dix River Power Company agrees to place a lawful fence along the full length of this roadway on the South and East sides thereof; said Company further agrees to build a pike road for J. Warren Curd from his house or barn in a reasonably direct line Northwardly to the above mentioned 40 feet roadway and to place a gate in the fence at the intersection. If demanded, Dix River Power Company will place a second gate, for use of said Curd, at point he selects from his farm into said roadway. Said Curd shall have no right to use Dix River Power Company's roadway East of the East end of the 40 feet roadway hereby granted."

ITEM No. 8: A strip of land 100 feet wide and 2044.5 feet long comprising 4.69 acres and extending a distance of 60 feet on each side of a center line herein described, to-wit:

From a point on the North line and 1139 feet from the Northwest corner of the property of the said Warren Curd, southerly a distance of 30 feet by a curve to the left of 983.59 feet radius (5 degrees 49 min. 20 sec.); thence South 300 feet; thence South and Southeasterly 500 feet by a curve of 521.67 feet radius (11 degrees); thence Southeasterly 525.29 feet; thence 246.71 feet by a curve to the left of 1146.28 feet radius (5 degrees); thence 283 feet by a curve to the left of 546.44 feet radius (10 deg. 30 min.); thence 189.5 feet by a curve to the right of 359.26 feet radius (16 degrees) to a point on the line between the property of Warren Curd and Joe T. Curd, now Dix River Power Company, and 65 feet West of the Northeast corner of the property of the latter, all lines and curves herein described being tangent to each other at their points of junction.

The conveyance of this parcel is subject to the reservation and agreement contained in the deed to Dix River Power Company in the following language, to-wit:

"It is agreed and covenanted that the Dix River Power Company, its successors and assigns, will build a sub-

stantial fence on such portions of the boundary lines of said 100 foot strip as may be necessary to protect said Curd's live stock and also will provide crossings and gates for said Curd where needed by him, and also cattle guards where said strip intersects fences crossing same. Said strip of 100 foot width shall be used only for the construction, operation and maintenance of a railroad thereon."

The foregoing three parcels are the same property conveyed to Dix River Power Company by J. Warren Curd, et. al., by deed dated August 20, 1925, and recorded in Deed Book 100, page 328, in the office of the Clerk of Mercer County Court.

ITEM No. 9: Beginning at the Eastern termination of the division line, between Joseph T. Curd and the heirs of J. V. M. Curd which is in the center of said river and running thence with said division line S. 89 degrees W. to a point in said division line where it intersects the arc of a circle drawn with a radius of Nine Hundred feet (900 ft.) from a nail driven in the root of a sycamore tree on the East bank of said River and in line of the proposed dam of said Company as is shown on the blue print of said Company, which point is about 840 ft. West of beginning point, more or less, and running thence with the circumference of a circle drawn with a radius of 900 ft. as aforesaid in a Southwesterly direction to a point where said circle or arc intersects a line drawn on the Western cliffs of Dix River exactly Seven Hundred and Twenty-five feet above sea level, and running from said point with the said line Seven Hundred and Twenty-five feet above sea level along the banks of said River and ravines running into same to a point where said sea level line intersects the division line between the lands of said Jos. T. Curd and Andy Hardin, and running thence with said division line in an Easterly direction to the center of said river, and thence with the Eastern line of said Jos. T. Curd which is the center of said river to the point of beginning. Title to the above described premises was acquired by Jos. T. Curd by inheritance from his father John Curd, deceased and by deed from E. B. Curd and J. V. M. Curd,

et. al., to said Jos. T. Curd by deed dated March 4, 1890, and recorded in Deed Book 59, page 143 of the records of Mercer County, Kentucky, being the same property conveyed to Dix River Power Company by Joseph T. Curd by deed dated February 20, 1913, and recorded in Deed Book 86, page 139, in the office of the Clerk of Mercer County Court.

ITEM No. 10: Beginning at a point in the arc of a circle, the radius of which is 900 ft. and its center is a sycamore tree on the East bank of Dix River, being the sycamore and arc of a circle mentioned in deed from Joseph T. Curd to Dix River Power Company, recorded in Deed Book 86, page 139, Mercer County Clerk's office, which point is near the edge of the clearing on top of Dix River cliff and in the line between Joseph T. Curd and J. Warren Curd, thence with the division line between same S. 89 W. 3270 feet to the center of a branch about 20 feet above a water gate; thence leaving the line of J. Warren Curd and running down said branch S. 60 E. 218 feet; S. 56 $\frac{1}{4}$  E. 160 feet; N. 89 E. 238 feet; S. 49 $\frac{3}{4}$  E. 78 feet; S. 14 E. 96 feet; S. 53 E. 156 feet; N. 56 $\frac{1}{4}$  E. 170 feet to a point 725 feet above sea level, which is in line of deed above mentioned from Joseph T. Curd and Nancy E. Curd to Dix River Power Company, thence with said 725 feet above sea level, contour first in a Southeast and then Northeast direction to an intersection with the before mentioned arc of a circle with 900 feet radius from said sycamore tree, and with same in a North and Northeast direction to the beginning, containing 45 acres, more or less.

ITEM No. 11: All of the lands of Joseph T. Curd and Nancy R. Curd in Mercer County, Kentucky, East of the Chordsville Turnpike and on the West side of Dix River and on branches running into Dix River and along the cliff of Dix River which may be submerged by reason of the erection and maintenance of a dam in Dix River, the spillway floor of which will be 750 feet above sea level. The above two parcels are the same conveyed to Dix River Power Company by deed from Joseph T. Curd dated July 24, 1923, and recorded in Deed Book 100, page 335, in the office of the County Clerk of Mercer County, Kentucky.

ITEM No. 12: Beginning in the center of Dix River in the line between said Andy W. Hardin and Joseph Curd, and running thence with the said division line between said Curd and Hardin in a Westerly course to a point on the cliffs of Dix River 725 feet above sea level, and running thence on the cliffs of Dix River along a line 725 feet above sea level until said line strikes the division line between Holman Kurtz and Sallee (now Homer Kurtz), thence with the line of said Kurtz in an Easterly direction to the center of Dix River, thence with the center of Dix River in a Northeasterly and Northerly direction to the point of beginning, being the same property conveyed to Dix River Power Company by Andy W. Hardin and Dellar Hardin by deed dated April 12, 1913, and recorded in Deed Book 86, page 480, in the office of the Clerk of Mercer County Court.

ITEM No. 13: All of the lands formerly owned by A. W. Hardin and Betsy Hardin on Dix River and Steinbergen Branch which may be submerged by reason of the erection and maintenance of a dam in Dix River, the spillway floor of which will not be higher than 750 feet above sea level, and beginning upstream at a line of the lands formerly owned by W. O. Lyons and Lyons' estate, and running thence downstream to line of lands formerly owned by Joseph T. Curd, being the same property conveyed to Kentucky Hydro Electric Company by deed from Andy Hardin and Betsy Hardin, his wife, dated March 17, 1924, and recorded in Deed Book 101, page 213, in the office of the Clerk of Mercer County Court.

ITEM No. 14: All of the lands formerly owned by the heirs of W. F. Lyons lying on Dix River and Steinbergen Branch which may be submerged by reason of the erection and maintenance of a dam in Dix River, the spillway floor of which will not be higher than 750 feet above sea level, and beginning on Steinbergen Branch at line of lands formerly owned by A. W. Hardin, and running thence down said branch to Dix River and up said Dix River to line of lands formerly owned by W. O. Lyons, and being the same property conveyed to Kentucky Hydro Electric Company by deed from W. O. Lyons and the other heirs of Wm. F. Lyons, dated March 7th, 1925, and

recorded in Deed Book 101, page 491, in the office aforesaid.

**Item No. 15.** All the lands below a line 750 feet above sea level which belong to Oscar Lyons and are situate on the waters of Cane Run Creek and Dix River, beginning at the line of Holman Kurtz on Cane Run Creek and running down same to its mouth, thence down Dix River to the line of the property of the W. F. Lyons heirs, and derived from the conveyance of Holman Kurtz and J. G. Salles March 3, 1913, and found in the office of the Clerk of the Mercer County Court of record in Deed Book 86, page 103, being the same property conveyed to Dix River Power Company by Oscar Lyons by deed dated June 9, 1922, and recorded in Deed Book 99, page 231, in the office of the Clerk of Mercer County Court.

**Item No. 16.** A strip of land along Cane Run Creek and Wallace's Branch and bounded as follows:

Beginning in the center of Cane Run opposite Achin-quapin and Horn Bean corner between James H. Waggener and Homer Kurtz (now Oscar Lyons) and running thence with the line of said Kurtz (now Lyons) in a Westerly course until it strikes a point 725 feet above sea level on the cliff, thence along the Western edge of the cliff of said Cane Run Creek along a line 725 feet above sea level to a point on the North side of Wallace's Branch 725 feet above sea level; thence along the line on the north edge of the cliff of Wallace's Branch 725 feet above sea level until it strikes the division line between the said James H. Waggener and Holman Kurtz; thence with the said division line in a Southerly direction to the center of Wallace's Branch, thence with the center of said Branch to the center of Cane Run, thence with the center of Cane Run to the point of beginning, being the same property conveyed to Dix River Power Company by James H. Waggener, et. al., by deed dated April 8, 1913, and recorded in Deed Book 86, page 488, in the office of the Clerk of Mercer County Court.

**Item No. 17:** All of the land formerly owned by S. L. Scott on Cane Run Creek and Wallace's Branch in Mercer County, which may be submerged by reason of the

erection and maintenance of a dam in Dix River, the spillway floor of which shall not be higher than 750 feet above sea level, being the same property conveyed to Kentucky Hydro Electric Company by deed from S. L. Scott and wife, dated February 13, 1924, and recorded in Deed Book 100, page 650, in the office of the Clerk of the County Court of Mercer County, Kentucky.

**Item No. 18:** All land lying below a line 750 feet above sea level situate on Cane Run Creek, near its mouth, and beginning at the line of land of John Denny (formerly James Waggener, who deeded same to Dix River Power Company) and extending down Cane Run Creek to the line of W. O. Lyons, being a part of the land conveyed to Holman Kurtz, et. al., by deed dated September 28, 1917, recorded in Deed Book 93, page 400, Mercer County Court Clerk's office.

**Item No. 19:** All land lying below a line 750 feet above sea level situate on Wallace Run, a tributary of Denny's Branch, beginning at the line of John Denny, or James Waggener and Dix River Power Company, thence up said Wallace Run with the center thereof to a level of 750 feet above sea level, being a part of the land conveyed to Holman Kurtz, et. al., by deed dated August 28, 1905, and recorded in Deed Book 74, page 81, Mercer County Court Clerk's office. The foregoing two parcels are the same property conveyed to Dix River Power Company by Holman Kurtz, et. al., by deed dated December 10, 1921, and recorded in Deed Book 98, page 543, in the office of the Clerk of Mercer County Court.

**Item No. 20:** All of the lands formerly owned by W. H. Bower and wife and Alvin C. Glascock and wife on Denny and Grow Branches, tributaries of Cane Run Creek, which may be submerged by reason of the erection and maintenance of a dam in Dix River, the spillway floor of which will not be higher than 750 feet above sea level, and adjoining the lands formerly owned by J. W. Denny and Holman Kurtz, being the same property conveyed to Kentucky Hydro Electric Company by said Bower and Glascock and their wives by deed, dated April 23, 1924, and recorded in Deed Book 101, page 21, in the office aforesaid.

**ITEM No. 21:** All of land formerly owned by J. W. Denny lying below a line 750 ft. above sea level on Denny's Branch and Wallace Run Branch of Cane Run Creek and extending from the junction of said branches up to a line 750 feet above sea level, and including all land that may be overflowed by water impounded to said level on the right-hand side of Denny's spring branch and the left-hand side of Wallace Run Branch and Grow Branch, ascending in each instance, being the same property conveyed to Dix River Power Company by J. W. Denny, et. al., by deed dated October 14, 1921, and recorded in Deed Book 98, page 533, in the office of the Clerk of Mercer County Court.

**ITEM No. 22:** All of the land formerly owned by Andrew D. Divine on Cane Run Creek which may be submerged by reason of the erection and maintenance of a dam in the Dix River near its mouth, the spillway floor of which will not be higher than 750 feet above sea level, being the same property conveyed to Kentucky Hydro Electric Company by deed from Andrew D. Divine and wife, dated September 19, 1923, and recorded in Deed Book 100, page 384, in the office of the Clerk of Mercer County Court.

**ITEM No. 23:** A strip of land along Cane Run Creek and bounded as follows: Beginning at a point in the center of the said Cane Run Creek in line between Virgil White and Thos. Washington Carr and running thence with the line of said Carr in a Westerly direction to a point on the cliff of said Cane Run 725 feet above sea level and running thence along the West line of said creek along a line 725 feet above sea level to a point in the line between the said White and J. W. Denny, thence with the line between said White and said Denny in a Northerly direction to the center of Cane Run Creek; thence with the center of said Cane Run Creek to the point of beginning, being the same property conveyed to Dix River Power Company by Virgil White, et. al., by deed dated April 6, 1913, and recorded in Deed Book 86, page 502, in the office of the Clerk of Mercer County Court.

**ITEM No. 24:** Beginning in the center of Cane Run in the division line between Virgil White and Tom Washington Carr and running thence with the said line of said Carr in an Easterly direction to a point on the cliff 725 feet above sea level and running thence along the line 725 feet above sea level in a Northwesterly direction until said line strikes the center of Cane Run Creek, thence with the center of said creek to the point of beginning, being the same property conveyed to Dix River Power Company by Virgil White, et. al., by deed dated April 8, 1913, and recorded in Deed Book 86, page 502, in the office of the Clerk aforesaid.

**ITEM No. 25:** All of the lands of Cas Lovett and wife on Cane Run and Denny Branch which may be submerged by reason of the erection and maintenance of a dam in Dix River, the spillway floor of which dam will not be higher than 750 feet above sea level and between such level and 725 feet above sea level and to the lines of the land heretofore conveyed by Virgil White to Dix River Power Company, and beginning on Cane Run at a line of the lands formerly owned by M. M. Dossset; thence down Cane Run to line of lands formerly owned by Andy Bates, and beginning again at the line of lands formerly owned by Andy Estes; thence down Cane Run and up Denny's Branch to the line of lands formerly owned by Andrew Divine, being the same property conveyed to Kentucky Hydro Electric Company by deed from Cas Lovett and wife, dated September 3, 1924, and recorded in Deed Book 101, page 134, in the office aforesaid.

**ITEM No. 26:** A strip of land on Cane Run, and bounded as follows:

Beginning at a point in the center of Cane Run Creek in the division line between Alexander Miller and Thomas Washington Carr, and running thence with the line of said Carr in a Westerly direction to a point on the cliff of said creek 725 feet above sea level, and running thence along the cliff along a line 725 feet above sea level and in a Southerly and Southwesterly direction until said line strikes the division line between said Miller and said Thomas Washington Carr, and running thence with the line of said Carr to the center of said creek,

and thence with the center of said creek to the point of beginning, being the same property conveyed to Dix River Power Company by Alexander Miller, et. al., by deed dated April 8, 1913, and recorded in Deed Book 86, page 505, in the office of the Clerk of Mercer County Court.

IREM No. 27: Being all of the land formerly owned by Andy Estes on Cane Run Creek in Mercer County which may be submerged by reason of a dam in Dix River, the spillway floor of which will not be higher than 750 feet above sea level, being the same property conveyed to Kentucky Hydro Electric Company by deed from Andy Estes and wife, dated September 19, 1923, and recorded in Deed Book 100, page 370, in the office of the Clerk of the County Court of Mercer County, Kentucky.

IREM No. 28: A strip of land along Cane Run Creek, beginning at a point in the middle of said Creek in the line between Carr and Virgil White and running thence with the line of said White in a Westerly direction to a point 725 feet above sea level; thence along the cliff of said creek along a line 725 feet above sea level, in a Westerly direction until said line again strikes the division line between said White and said Carr and thence with the line of the said Carr in a Westerly direction to the center of Cane Run Creek, and thence with the center of said Creek to the point of beginning, excepting one acre sold to Alexander Miller (deed book 83, page 596), being the same property conveyed to Dix River Power Company by Thomas Washington Carr, et. al., by deed dated April 8, 1913, and recorded in Deed Book 86, page 486, in the office of the Clerk of Mercer County Court.

IREM No. 29: Being all of the land formerly owned by Henry T. Ison that will be covered by the erection and maintenance of a dam in Dix River near its mouth, the spillway crest of which shall not exceed a height of 750 feet above sea level, and further described as beginning at the place in the bed of Cane Run Creek where the back water from said spillway will reach, and thence down said Creek on both sides thereof with said 750

feet above sea level line to the line of the land purchased by Dix River Power Company from M. M. Dossett, and later conveyed by Dix River Power Company to Kentucky Hydro Electric Company, this tract being the same property conveyed by Henry T. Ison and wife to Kentucky Hydro Electric Company by deed dated October 17, 1923, and recorded in Deed Book 100, page 410, in the office of the Clerk of the County Court of Mercer County, Kentucky.

IREM No. 30: All of the lands formerly owned by M. M. Dossett which lie below the level of the bench of the cliff on Bowman's Branch on which the pump of M. M. Dossett now stands immediately above his spring, and situated on the waters of Cane Run Creek and Bowman's Branch, and beginning at the line of Henry T. Ison near the old Stone Mill, on Cane Run and extending down Cane Run Creek to the line of lands of S. W. Johnson, at or near the mouth of Bowman's Branch, thence with the line of said Johnson up Bowman Branch to the level of the aforesaid bench of the cliff, being part of the lands conveyed to M. M. Dossett by deed dated July 11, 1905, Deed Book 75, page 626, and deed dated November 16, 1909, Deed Book 80, page 503, and deed dated January 1, 1912, Deed Book 84, page 152, all recorded in Mercer County Court, Clerk's office, being the same property conveyed to Dix River Power Company by M. M. Dossett, et. al., by deed dated September 25, 1922, and recorded in Deed Book 99, page 316, in the office of the Clerk of Mercer County Court.

IREM No. 31: All of lands formerly owned by S. W. Johnson on Cane Run Creek and Bowman Branch that lie below a line 750 feet above sea level, and running down Bowman Branch with the line of lands of M. M. Dossett and down Cane Run Creek with the line of lands of Dix River Power Company, being the Tom Washington Carr tract, to the line of the lands of I. S. Brown, being the same property conveyed to Dix River Power Company by S. W. Johnson, et. al., by deed dated October 14, 1921, and recorded in Deed Book 98, page 524, in the office of the Clerk of Mercer County Court.

pany by Ida M. Hawkins, et. al., by deed dated April 8, 1913, and recorded in Deed Book 86, page 508, in the office of the Clerk of Mercer County Court.

ITEM No. 35: Situate in Mercer County, Kentucky, and being all of the lands formerly owned by Ida M. and Jesse Hawkins on Dix River which may be submerged by reason of the erection and maintenance of a dam in Dix River, the spillway floor of which will not be higher than 750 feet above sea level, and beginning at line of R. T. Wilds or Charlie Perkins and running thence down stream as it meanders to line of lands of Dix River Power Company, formerly Sam Hager, being the same property conveyed to Dix River Power Company by Jesse Hawkins, et. al., by deed dated August 17, 1923, and recorded in Deed Book 100, page 326, in the office of the Clerk of Mercer County Court.

ITEM No. 36: All of the land of C. O. Perkins and wife which may be submerged by reason of the erection and maintenance of a dam in Dix River, the spillway floor of which will not be higher than 750 feet above sea level, and beginning at the line of lands formerly owned by Atwood Proctor or C. P. Kennedy, and extending downstream with its meanders to the Burgin and Kings Mill turnpike; thence with the turnpike to the River; thence back up the River to the Kennedy-Proctor line; thence to the beginning.

ITEM No. 37: Also the following land adjoining the tract above described and beginning at a crossmark cut in a stone near the fence along the Burgin and Kings Mill Turnpike and running thence N 24° 21' E 36 feet N 28° 40' E 29 feet N 46° 35' E 62 feet, N 44° 25' E 78 feet, N 65° 15' E 66 feet, N 39° 20' E 72 feet, N 27° 50' E 34 feet, N 11° 15' E 34 feet, N 21° 40' E 26 feet, N 5° E 70 feet, N 1° E 10' W 72 feet, N 1° 30' W 64 feet, N 0° 30' E 124.5 feet, N 11° 30' E 100 feet, N 0° 30' W 88 feet, N 5° 36' W 80 feet, N 7° 20' W 46 feet, N 2° 6' W 66 feet, N 3° 50' E 106 feet, N 27° 28' E 86 feet, N 18° 20' E 80 feet, N 28° 30' E 46 feet, N 19° 25' E 95 feet, N 21° 50' E 52 feet, N 15° 10' E 70 feet, N 18° 16' E 102 feet, N 36° 25' E 64 feet, N 38° E 102 feet, N 62° 28'

ITEM No. 32: All of the lands formerly owned by R. L. Black, acquired by him from I. S. Brown, which may be submerged by reason of the construction and maintenance of a dam in Dix River, the spillway floor of which will not be higher than 750 feet above sea level. Said lands are on Cane Run Creek and begin at the line of the lands owned by S. W. Johnson and said lands extend down Cane Run Creek to the lands of Sam Hager for a distance of about one mile, being the same lands conveyed to Dix River Power Company by I. S. Brown, et. al., by deed dated March 16, 1922, and recorded in Deed Book 99, page 134, in the office of the Clerk of Mercer County Court and by deed from R. L. Black and wife, dated September 1, 1923, and recorded in Deed Book 100, page 325, in the office of the Clerk aforesaid.

ITEM No. 33: All the lands formerly owned by S. W. Hager that lie below a line 750 feet above sea level on Cane Run and Dix River, and bounded on the North and West by Cane Run Creek and by Dix River on the East, and beginning with the line of I. S. Brown and running down Cane Run Creek to its mouth, thence up Dix River to the line of the lands of Ida and Jesse Hawkins—now lands of Dix River Power Company, being part of land conveyed to S. W. Hager January, 1916, recorded in Deed Book 89, page 211, Mercer County Court Clerk's office, being the same property conveyed to Dix River Power Company by S. W. Hager, et. al., by deed dated December 5, 1921, and recorded in Deed Book 96, page 551, in the office of the Clerk of Mercer County Court.

ITEM No. 34: Beginning at a point in the center of Dix River in the line between Ida M. and Jesse Hawkins and W. M. Proctor and running thence south with line of said Proctor to a point on the cliffs of Dix River 725 feet above sea level, and running thence in an Easterly and Southeastly direction along a line 725 feet above sea level until it strikes the division line between the said Hawkins and R. T. Wilds, thence with the division line between said Hawkins and said Wilds in an Easterly direction to the center of Dix River, thence with the center of Dix River to the point of beginning, being the same property conveyed to Dix River Power Com-

E 60 feet N 82° 20' E 40 feet to a point another cross-mark cut in stone in vertical cliff of Dix River; thence along this vertical cliff Northeastwardly about 300 feet to a mark in said cliff at the end of the vertical portion thereof, thence running N 56° 30' E 160 feet N 61° 35' E 111 feet N 37° 50' E 154 feet, N 33° 40' E 280 feet, N 16° 25' E 161 feet, N 17° 45' E 159 feet, to a point in the present fence line between the land of C. O. Perkins and R. T. Wilde, thence running between said fence and the river N 8° 56' E 120, N 10° 5' E 153 feet, thence N 25° E 67 feet, N 0° 15' E 100 feet, N 7° 5' W 95 feet, N 3° 25' W 86 feet, N 5° 40' E 107, N 18° 10' W 94 feet, N 23° 50' W 96 feet to a stone set near the corner of R. T. Wilde in the line of C. O. Perkins, and near the corner to land recently purchased from Dora Hager by C. O. Perkins, from thence N 38° W 89 feet N 52° 30' W 167 feet, N 47° 12' W 205 feet, N 63° 30' W 180 feet, N 65° 28' W 168 feet, N 44° 10' W 161 feet, N 46° 30' W 133 feet, N 56° 00' W 166 feet, N 51° 46' W 143 feet, N 50° 32' W 84 feet, N 49° 25' W 92 feet, N 57° 32' W 98 feet, N 56° 15' W 144 feet N 74° 50' W 83 feet, N 61° 10' W 192 feet, N 70° 35' W 138 feet N 86° 6' W 116 feet, S 83° 35' W 114 feet, S 80° 10' W 150 feet to a stone set in the line between C. O. Perkins and Hawkins, thence with their line to Dix River, thence with Dix River to the Burgin and Kings Mill Turnpike, thence with the same as it meanders to the beginning.

Both of the above tracts are the same conveyed to Kentucky Hydro Electric Company by deed from C. O. Perkins and wife, dated September 13, 1924, and recorded in Deed Book 101, page 144, in the office aforesaid.

ITEM No. 38: Beginning in the center of Dix River in the line between the lands of R. T. Wilds and the lands of Ida M. Hawkins; running thence Westerly with the line of said Hawkins to a point on the cliffs of Dix River 750 feet above sea level; thence with a line 750 feet above sea level along said Dix River cliffs in a Southerly, Southeasterly and Easterly direction to the dividing line between the lands of said Wilds and the lands of John A. Nooe; thence with the line of said Nooe in a Southerly direction to the center of Dix River;

thence with the center of said river, to the beginning, being the same property conveyed to Kentucky Hydro Electric Company by deed from Dix River Power Company, dated January 15th, 1924, and recorded in Deed Book 100, page 649, in the office of the Clerk of the County Court of Mercer County, Kentucky, and by deed from R. T. Wilds and wife, dated September 8th, 1923, and recorded in Deed Book 100, page 386, in the office of the Clerk aforesaid.

ITEM No. 39: An undivided three-fourths interest in the following tract of land: Beginning at a point in the middle of Dix River in the line between John A. Nooe and R. T. Wilds and running thence with the line of said Wilds in a Northerly direction to a point on the cliffs of Dix River to a point 725 feet above sea level, thence along the cliffs of Dix River along a line 725 feet above sea level in a Westerly and Southerly course to a point on the cliff where said line intersects a division line between said Nooe and Chas. P. Kennedy, thence with the line of said Chas. P. Kennedy in an Easterly direction to the center of Dix River, thence with the center of Dix River to the point of beginning, being the same property conveyed to Dix River Power Company by John A. Nooe, widower, by deed dated April 8, 1913, and recorded in Deed Book 86, page 496, in the office of the Clerk of Mercer County Court.

ITEM No. 40: All the lands formerly owned by Atwood Proctor that lie below a line 750 feet above sea level on Dix River, and beginning at a line of the Thomas J. Curd estate and extending up Foley Spring Branch with said Thomas J. Curd estate to the 750 foot sea level, also running down Dix River to line of property formerly owned by C. P. Kennedy and others, now property of Dix River Power Company, same being the property conveyed by Atwood Proctor by deed dated Oct. 5th, 1898, and recorded in Commissioner's Deed Book 2, page 209 in the office of the Clerk of Mercer County Court, Commissioner's Deed to John W. Proctor and Atwood Proctor, and also by deed of John W. Proctor and Nora, his wife, to Atwood Proctor by deed dated August 31, 1907, and recorded in Deed Book 77, page 67,

Mercer County Court Clerk's office, being the same property conveyed to Dix River Power Company by Atwood Proctor, et. al., by deed dated December 5, 1921, and recorded in Deed Book 98, page 544, in the office of the Clerk of Mercer County Court.

Item No. 41: Being all of the lands of the heirs of Thomas J. Curd on Foley Spring Branch and Dix River, in Mercer County, Kentucky, which lie below a line Seven Hundred and Fifty (750) feet above sea level, and running along Foley Spring Branch with line of lands of Atwood Proctor from 750 foot sea level line to the mouth of said Branch, and thence up Dix River to line of the lands of E. G. Guttery, being the same property conveyed to Dix River Power Company by Mary L. Curd, widow of Thos. J. Curd, by deed dated August 31, 1922, and recorded in Deed Book 99, page 314, in the office of the Clerk of Mercer County Court.

Item No. 42: All of the lands formerly owned by E. G. Guttery on Dix River which lie below a line 750 feet above sea level, and, beginning on Dix River at line of land of M. H. Johnson and running down Dix River with its meanders to line of lands of the estate of T. J. Curd, and being a portion of the same real estate conveyed to E. G. Guttery by J. T. Huguey and wife by deed dated February 1, 1909, and recorded in Deed Book 80, page 424, in office of the Clerk of the Mercer County Court, being the same property conveyed to Dix River Power Company by E. G. Guttery, et. al., by deed dated June 14, 1922, and recorded in Deed Book 99, page 232, in the office of the Clerk of Mercer County Court.

Item No. 43: All of the lands formerly owned by M. F. Johnson, on Dix River, which lie below a line 750 feet above sea level, as designated by a three-inch cross on face of cliff at North edge of three-foot diameter cave, and beginning at line of lands of Mrs. John Hutchison and extending down Dix River to line of lands of Dix River Power Company, formerly E. G. Guttery, being the same property conveyed to Dix River Power Company by M. F. Johnson, et. al., by deed dated May 30, 1923, and recorded in Deed Book 100, page 269, in the office of the Clerk of Mercer County Court.

Item No. 44: All of the land formerly owned by Wash Payne on Dix River in Mercer County, Kentucky, which will be submerged by reason of the erection and maintenance of a dam in Dix River, the spillway floor of which will not be higher than 750 feet above sea level, and beginning at the lands formerly owned by J. B. Perkins up stream, running to the lands formerly owned by Lucille Hutchison down stream, being the same property conveyed to Kentucky Hydro Electric Company by deed dated April 2, 1924, and recorded in Deed Book 100, page 637, in the office of the Clerk of the County Court of Mercer County, Kentucky.

Item No. 45: All of the lands formerly owned by Lucille P. Hutchison which may be submerged on account of the erection and maintenance of a dam in Dix River, the spillway floor of which will not be higher than 750 feet above sea level, and beginning upstream at line of lands of Joe Perkins and running downstream to line of lands of William Carmike; and also beginning at line of lands of Roger's estate upstream and running downstream to line of lands of M. F. Johnson, being the same property conveyed to Dix River Power Company by Lucille P. Hutchison, et. al., by deed dated August 2, 1923, and recorded in Deed Book 100, page 283, in the office of the Clerk of Mercer County Court.

Item No. 46: All of the lands formerly owned by Sara Rogers on Dix River which lie below a line 750 feet above sea level, and beginning at line of lands of Mack Merriman, and running down Dix River to line of lands of C. M. Paxton (formerly Saltee land), being the same property conveyed to Dix River Power Company by Sara Rogers by deed dated August 26, 1922, and recorded in Deed Book 99, page 332, in the office of the Clerk of Mercer County Court.

Item No. 47: All of the lands formerly owned by Mack Merriman on Dix River that lie below a line 750 feet above sea level, and beginning at line of the lands of Hiram Collier, and extending down Dix River to line of lands of the Alfred Rogers estate to a distance of about 3,000 feet, being the same property conveyed to

Dix River Power Company by Mack Merriman, et. al., by deed dated October 15, 1921, and recorded in Deed Book 98, page 541, in the office of the Clerk of Mercer County Court.

ITRM No. 48: All of the lands formerly owned by Hiram and Maggie Collier that lie below a line 750 feet above sea level on Dix River, and beginning at line of lands of William Carmickle on Dix River, on the opposite side, and above the mouth of Baughman's Branch, and running down the river to line of lands of Mack Merriman below the mouth of Tan Yard Branch on opposite side of Dix River, about 3,500 feet, being the same property conveyed to Dix River Power Company by Hiram Collier, et. al., by deed dated December 14, 1921, and recorded in Deed Book 98, page 546, in the office of the Clerk of Mercer County Court.

ITRM No. 49: All of the lands formerly owned by J. W. Carmickle on Dix River which lie below a line 750 feet above sea level, and beginning at line of lands of C. M. Paxton (formerly Sallee) and running down Dix River to line of lands of Hiram and Maggie Collier, being the same property conveyed to Dix River Power Company by J. W. Carmickle, et. al., by deed dated August 25, 1922, and recorded in Deed Book 98, page 313, in the office of the Clerk of Mercer County Court.

ITRM No. 50: All of the land formerly owned by J. B. Perkins lying below a line 750 feet above sea level, adjacent to two lots in Bushtown Settlement, next to lines of lands of Jordan Taylor's heirs, Mose Floyd's heirs, George Smith and Shelby Smith, and part of a twenty-seven and a half acre tract which begins at line of Mose Floyd's heirs and running down Dix River to the line of lands of C. M. Paxton. J. B. Perkins also releases and quit-claims unto Dix River Power Company, its successors and assigns, all rights of reversion below said 750 foot sea level line in a lot conveyed by J. B. Perkins to the colored church of Hunn's Chapel, in Bushtown, being the same property conveyed to Dix River Power Company by J. B. Perkins, a widower, by deed dated February 31, 1922, and recorded in Deed Book 99, page 131, in the office of the Clerk of Mercer County Court.

ITRM No. 51: All of the lands formerly owned by the heirs of Moses Floyd, lying on Dix River which may be submerged by reason of the erection and maintenance of a dam in Dix River, the spillway floor of which will not be higher than 750 feet above sea level, and beginning upstream at line of lands formerly owned by Jordan Taylor Estate, and running downstream to line of lands formerly owned by J. B. Perkins, and being the same conveyed to Kentucky Hydro Electric Company by deed from Thomas Floyd and other heirs of Moses Floyd, dated April 1, 1924, and recorded in Deed Book 101, page 14, in the office aforesaid.

ITRM No. 52: All the lands formerly owned by George Smith that lie below a line 750 feet above sea level on Dix River, and beginning at line of Joseph Perkins and running down the river to the line of Hunn's Chapel property, about 350 feet. Said property is situate in settlement known as 'Bushtown,' being the same property conveyed to Dix River Power Company by George Smith, et. al., by deed dated 10th day of December, 1921, and recorded in Deed Book 98, page 550, in the office of the Clerk of Mercer County Court.

ITRM No. 53: All the lands formerly owned by John Sanders that lie below a line 750 feet above sea level on Dix River, and being that portion of two tracts of land in 'Bushtown' Settlement in Mercer County, Kentucky, and more particularly described as follows:

All the lands lying below a line 750 feet above sea level on Dix River beginning at line of Grant Gayton and running down Dix River to line of Cary Hunn's heirs, and conveyed to said parties by deed of J. T. Hugueley, dated Nov. 13, 1917, and recorded in Deed Book 94, page 388, of the office of the Clerk of the Mercer County, Kentucky, County Court.

ITRM No. 54: All the lands lying below a line 750 feet above sea level on Dix River, beginning at line of Cary Hunn's heirs and running down Dix River to line of Walker Woodford, and conveyed to John Sanders by deed of E. J. Thistler, dated May 2, 1916, and recorded in Deed Book 91, page 599, of the office of the Clerk of

Mercer County, Kentucky, County Court, being the same property conveyed to Dix River Power Company by John Sanders, et. al., by deed dated 8th day of December, 1921, and recorded in Deed Book 98, page 536, in the office of the Clerk of Mercer County Court.

Item No. 55: All the lands formerly owned by Shelby Smith that lie below a line 750 feet above sea level on Dix River; and 1st lot beginning at a line of Hunn's Chapel and running down Dix River to line of Thomas Floyd's heirs, about 220 feet; and second lot, strip as above, beginning on line of Floyd heirs and running down Dix River to line of Joseph Perkins, about 220 feet. Both of the above lots are located in settlement known by the name of 'Bushtown,' being the same property conveyed to Dix River Power Company by Shelby Smith, et. al., by deed dated December 10, 1921, and recorded in Deed Book 98, page 548, in the office of the Clerk of Mercer County Court.

Item No. 56: All the lands formerly owned by Grant Gayton that lie below a line 750 feet above sea level on Dix River, and beginning on the line of Nannie Poor and extending down Dix River to the line of John Sanders, about 300 feet, said tract being known as Lot 5 in the division of the estate of Harvey Gayton, and situate in the 'Bushtown' settlement of Mercer County, Kentucky, being the same property conveyed to Dix River Power Company by Grant Gayton, widower, by deed dated 8th day of December, 1921, and recorded in Deed Book 98, page 547, in the office of the Clerk of Mercer County Court.

Item No. 57: All of the land formerly owned by the Trustees for the Colored Church of Hunn's Chapel of Bushtown, Mercer County, Kentucky, on Dix River, which will be submerged by reason of the erection and maintenance of a dam in Dix River, the spillway floor of which will not be higher than 750 feet above sea level, and beginning up stream at the line of the lands formerly owned by George Smith, and running down stream to the line of the lands formerly owned by Shelby Smith, being the same property conveyed to Kentucky Hydro Electric Company by deed dated April 2, 1924, and recorded in

Deed Book 100, page 638, in the office of the Clerk of the County Court of Mercer County, Kentucky.

Item No. 58: All of the lands formerly owned by the heirs of Jordan Taylor, deceased, in, on and near Dix River, which may be submerged by reason of the erection and maintenance of a dam in said River, the spillway floor of which will not be higher than 760 feet above sea level, and beginning upstream at line of lands formerly owned by Price Dunn, and extending downstream to line of lands formerly owned by Joe Perkins, and being the same property conveyed to Kentucky Hydro Electric Company by deed from Bowman Taylor and the other heirs of Jordan Taylor, dated May 1, 1925, and recorded in Deed Book 101, page 489, in the office aforesaid.

Item No. 59: All of the lands formerly owned by the heirs of Harvey Gayton, deceased, lying on Dix River, which may be submerged by reason of the erection and maintenance of a dam in said River, the spillway floor of which will not be higher than 760 feet above sea level, and beginning upstream at line of lands formerly owned by George Ellis, and running downstream to line of lands formerly owned by Jack Sanders, and being the same conveyed to Kentucky Hydro Electric Company by Ella Gayton and the other heirs of Harvey Gayton by deed dated April 23, 1925, and recorded in Deed Book 101, page 494, in the office aforesaid.

Item No. 60: All of the land formerly owned by Price Dunn and wife lying on Dix River which may be submerged by reason of the erection and maintenance of a dam in Dix River, the spillway floor of which shall not be higher than 750 feet above sea level, and lying between the line of lands formerly owned by Jack Sanders upstream and line of lands formerly owned by Jordan Taylor's heirs downstream, and being the same conveyed to Kentucky Hydro Electric Company by deed from Price Dunn and wife, dated April 2, 1924, and recorded in Deed Book 101, page 6, in the office aforesaid.

Item No. 61: Beginning in the center of Dix River in the line between George and James Ellis and the land of Lorinda Gaither and others, thence with the said di-

vision line between said Ellis and said Gaither and others in a Westerly course to a point on the cliffs of Dix River 725 feet above sea level and running thence along the cliffs of Dix River along a line 725 feet above sea level in a Southerly direction until the said line strikes the division line between said George Ellis and J. W. Hicks, thence with the division line between said George and James Ellis and said J. W. Hicks along a branch and Dix River in an Easterly course to the center of Dix River, thence with the center of said River in a Northerly or Northwesterly direction to the point of beginning, being the same property conveyed to Dix River Power Company by George Ellis, et al, by deed dated April 14th, 1913, and recorded in Deed Book 86, page 478, in the office of the Clerk of Mercer County Court.

IREM No. 62: Being all of the lands formerly owned by George W. Ellis on Dix River which may be submerged by reason of the erection and maintenance of a dam in Dix River near its mouth, the spillway floor of which will not be higher than 750 feet above sea level, being the same conveyed to Kentucky Hydro Electric Company by deed from George W. Ellis, dated September 8, 1923, and recorded in Deed Book 100, page 371, in the office of the Clerk of the County Court of Mercer County, Kentucky.

IREM No. 63: Beginning in the center of Dix River in the line between Hicks and Emily Scott, thence with the line of said Scott in a Westerly direction to a point on the cliffs of Dix River 725 feet above sea level, thence along the cliffs of Dix River along a line 725 feet above sea level in a Northerly and Northwesterly direction until said line strikes the division line between the lands of said Erasmus Hicks and the land of R. T. Hicks; thence with the division line between them in an Easterly direction to the center of Dix River; thence with the center of Dix River to the point of beginning, being the same property conveyed to Dix River Power Company by Erasmus Hicks, widower, by deed dated April 11th, 1913, and recorded in Deed Book 86, page 494, in the office of the Clerk of Mercer County Court.

IREM No. 64: All of the lands formerly owned by Emily Baker and the other devisees of Erasmus Hicks

on Dix River which may be submerged by reason of the erection and maintenance of a dam in Dix River, the spillway floor of which will not be higher than 750 feet above sea level, and beginning at or near the line of the lands of Vic Rice upstream and running down to the line of R. T. Hicks' devisees downstream and also beginning at the line of the lands of R. T. Hicks' devisees upstream and running down to the line of lands of J. W. Hicks downstream, being the same property conveyed to Kentucky Hydro Electric Company by deed from Emily Baker and others, dated August 23rd, 1923, and recorded in Deed Book 100, page 382, in the office of the Clerk of the County Court of Mercer County, Kentucky.

IREM No. 65: Beginning in the center of Dix River in the line between J. W. Hicks and George Ellis, thence with the line of said Ellis in a Westerly direction to a point on the cliffs of Dix River 725 feet above sea level, thence along the cliffs of Dix River along a line 725 feet above sea level in a Southerly and Southeasterly direction until said line strikes the division line between said J. W. Hicks and Erasmus Hicks, thence with the said division line between said J. W. and Erasmus Hicks to the center of Dix River; thence with the center of said river in a Northerly direction or Northwesterly direction to the point of beginning, being the same property conveyed to Dix River Power Company by J. W. Hicks, et al, by deed dated April 11th, 1913, and recorded in Deed Book 86, page 499, in the office of the Clerk of Mercer County Court.

IREM No. 66: All of the lands formerly owned by J. W. Hicks on Dix River which may be submerged by reason of the erection and maintenance of a dam in Dix River, the spillway floor of which will not be higher than 750 feet above sea level, and beginning at the line of the lands formerly owned by Erasmus Hicks, and running thence down Dix River to the line of lands of George W. Ellis, being the same property conveyed to Kentucky Hydro Electric Company by deed dated September 8th, 1923, and recorded in Deed Book 100, page 361, in the office of the Clerk of the County Court of Mercer County, Kentucky.

TRAX No. 67: Lying on and in Dix River about 3 miles Southeast of Burgin, beginning at a point on the line between the lands of Neal Warren and Louisville Baptist Orphans' Home and which point is a hub ten feet above the edge of mean low water mark on the Mercer County side, of said River, and from which hub a witnessed twin ash 12 inches in diameter bears S 61° W 10 feet, thence S 48° 34' E 102.4 feet to a point 15 feet above the edge of mean low water, thence S 51° 56' E 202.1 feet to a point 12 feet above the edge of mean low water, thence S 46° 42' E 276.2 feet to a point 15 feet above the edge of mean low water thence S 44° 53' E 161.3 feet to a point 20 feet above the edge of mean low water, thence S 39° 19' E 109.6 feet to a point 19 feet above the edge of mean low water, thence S 48° 30' E 221.1 feet to a point 15 feet above the edge of mean low water thence S 40° 51' E 441 feet to a point 40 feet above the edge of mean low water, thence S 40° 40' E 391.6 feet to a point 12 feet above the edge of mean low water; thence S 58° 50' E 255.6 feet to a point 11 feet above the edge of mean low water thence S 62° 35' E 255 feet to a point 26 feet above the edge of mean low water, thence S 79° 35' E 164.6 feet to a point 31 feet above the edge of mean low water, thence S 65° 33' E 166.4 feet to a point 2 feet above the edge of mean low water thence North 69° E 146.4 feet to a point 5 feet above the edge of mean low water thence N 34° 37' E 199.6 feet to a point 3 feet above the edge of mean low water thence N 8° 53' E 204.2 feet to a point 8 feet above the edge of mean low water, thence N 12° 13' E 179 feet to a point 10 feet above the edge of mean low water thence N 15° 46' E 319.5 feet to a point 5 feet above the edge of mean low water, thence N 7° 57' W 217.5 feet to a point 8 feet above the edge of mean low water, thence N 21° 27' W 143 feet to a point 3 feet above the edge of mean low water thence N 44° 20' W 220 feet to a point 10 feet above the edge of mean low water, thence N 47° 2' W 222.1 feet to a point 10 feet above the edge of mean low water thence N 66° 27' W 326.5 feet to a point 5 feet above the edge of mean low water, thence N 48° 16' W ..... feet to a point 3 feet above the edge of mean low water thence N 34° 16' W 177.9 feet to a point 3

feet above the edge of mean low water, thence N 29° 21' W 264 feet to a point 10 feet above the edge of mean low water, thence N 16° 42' W 218.7 feet to a point 11 feet above the edge of mean low water, thence N 9° 59' W 132 feet, thence continuing the same line to a point at the edge of mean low water, on the boundary line between the lands of Emily Baker and of Louisville Baptist Orphans' Home, formerly Hicks; thence leaving the River and running with the line of said Emily Baker and Louisville Baptist Orphans' Home S 59° 23' W 175 feet to a line 760 feet above sea level, thence with said line 760 feet above sea level S 16° 12' E 138 feet to a point; thence S 15° 1' W 64.2 feet to a point; thence S 21° 14' East 55 feet to a point; thence S 12° 55' E 86.1 feet to a point; thence S 54° 13' E 76.1 feet to a point; thence S 31° 35' E 94.2 feet to a point; thence S 25° 45' E 101.2 feet to a point; thence S 19° 23' E 169.7 feet to a point; thence S 23° 32' E 156 feet to a point; thence S 28° 33' E 279.2 feet to a point; thence S 23° 27' E 185.7 feet to a point; thence S 13° 50' E 121.3 feet to a point; thence S 7° 7' E 192.8 feet to a point; thence S 32° 40' W 230.3 feet to a point; thence S 74° 48' W 128 feet to a point; thence N 82° 40' W 94 feet to a point; thence N 68° 31' W 80.4 feet to a point; thence N 64° 28' W 123.2 feet to a point; thence N 56° 20' W 167.7 feet to a point; thence N 51° 6' W 119 feet to a point; thence N 49° 56' W 99.8 feet to a point; thence N 47° 39' W 139.6 feet to a point; thence N 49° 22' W 157.7 feet to a point; thence N 48° 31' W 92.5 feet to a point; thence N 46° 49' W 201 feet to a point; thence N 50° 40' W 106.4 feet to a point; thence N 52° 4' W 103.5 feet to a point; thence N 49° 22' W 159.7 feet to a point; thence N 29° 55' W 81.8 feet to a point; thence N 47° 45' W 110 feet to a point on said 760 foot contour line on the line between the lands of Louisville Baptist Orphans' Home, formerly Hicks, and the lands of Neal Warren; thence with the line between the lands of said Louisville Baptist Orphans' Home and Warren S 45° 32' W 178 feet to the point of beginning, and containing 41.78 acres of land as surveyed by H. L. Claret in 1924 and as shown by the map filed in said proceedings, which is referred to and made a part hereof.

**Item No. 68:** Also all of the lands of Louisville Baptist Orphans' Home, formerly Hicks, in and on Dix River which lie between the line and boundary of the first parcel hereinabove described and the thread or middle of Dix River.

The foregoing two parcels are the same conveyed to Kentucky Hydro Electric Company by Special Commissioner of the Mercer County Court by deed dated March 7, 1925, and recorded in Deed Book 101, page 321, in the office aforesaid.

**Item No. 69:** All of the lands formerly owned by Victor M. Rice lying on Dix River which lie below a line 750 feet above sea level and beginning at line of lands of Fidelity Realty Company (formerly L. F. Yandell) and extending down Dix River to line of lands of Mrs. Emily Baker (formerly Erasmus Hicks), about 3000 feet, being the same property conveyed to Dix River Power Company by Victor M. Rice, et. al., by deed dated April 4, 1922, and recorded in Deed Book 99, page 132, in the office of the Clerk of Mercer County Court.

**Item No. 70:** Being all of the lands formerly owned by Neal Warren on Dix River which may be submerged by reason of the erection and maintenance of a dam in Dix River, the spillway floor of which will not be higher than 750 feet above sea level, and being the same conveyed to Kentucky Hydro Electric Company by deed dated September 8, 1923, and recorded in Deed Book 100, page 422, in the office of the Clerk of the County Court of Mercer County, Kentucky.

**Item No. 71:** Beginning in the center of Dix River, corner to Victor Rice and running thence with the line of said Rice in a Northerly direction to a point on the cliffs of Dix River 725 feet above sea level, thence with the cliffs of said river and along a line 725 feet above sea level in an Easterly direction until said line strikes the division line between said Stagner to the lower land formerly belonging to estate of Richard Hicks, deceased, thence with the said division line of said Richard Hicks' tract in a Southerly direction to the center of Dix River, thence with the center of said River in a Westerly direc-

tion to the point of beginning, being the same property conveyed to Dix River Power Company by William Stagner, et. al., by deed dated April 11, 1913, and recorded in Deed Book 86, page 491, in the office of the Clerk of Mercer County Court.

**Item No. 72:** Situate in Mercer County, Kentucky, on the Curdsville Turnpike and the Ballard Turnpike and described thus:

Beginning in the center of the Ballard Turnpike at the East edge of the right of way of Cincinnati, N. O. & T. P. R. Co. and running with the center of the Ballard Turnpike S. 81 degrees E. 316.8 feet to the intersection of same with New Curdsville Turnpike, thence with center of New Curdsville Turnpike S. 3½ degrees W. 1195.6 feet to corner to John Curd, thence leaving the turnpike and running with his line with a wire fence S. 71 degrees W. 188 feet to a walnut tree, S. 64½ degrees W. 103.5 feet to a dead honey locust, S. 88 degrees W. 42.7 feet to a walnut, N. 80 degrees W. 114.3 feet to a walnut, N. 62½ degrees W. 123.1 feet to the East edge of the right of way of the railroad, thence with said right of way N. 23½ degrees E. 162 feet to a fence post, N. 65 degrees W. 38.7 feet to a corner post, thence with the East right of way line curving to the left, said course being Northeastwardly, and about 1200 feet to the beginning, containing 11.77 acres of land.

**Item No. 73:** A strip of land 100 feet wide throughout its length, the center line of which is described as follows: Beginning at a stake which is Station 12 plus 50 of the branch railroad of Kentucky Hydro Electric Company from the Cincinnati Southern Railroad at Herington Station to the proposed dam on Dix River, said point being in the Center of the Curdsville Turnpike, thence N. 86 degrees 15' E. 1064.29 feet to a stake, thence with a 2 degree and 30' curve to the right a distance of 99.21 feet to a stake in Epperson's line. The line thus described is the center line of a strip of land 100 feet wide, the width of which is obtained by measuring at right angles a distance of 50 feet on each side of said line. Said parcel contains 2.67 acres of land, more or less.

ITEM No. 74: A strip of land 20 feet wide throughout its entire length, and beginning at a stone which is the East end on the North side of the roadway belonging to U. G. Epperson and Kentucky Hydro Electric Company, also corner of John Curd's land, thence with the North line of said roadway N. 85 W. 10 chains to the center of the Curdville Turnpike; thence with the center of said turnpike N. 5 E. 20 feet to corner to John Curd, thence leaving pike S. 85 E. a new line with John Curd 10 chains to the new corner in line of Curd and Epperson, thence with Epperson's West line Southwardly 20 feet, more or less, to the beginning and containing .3 of an acre of land, more or less.

The three foregoing parcels of land were conveyed to Kentucky Hydro Electric Company by deed from John Curd and wife, dated September 14, 1923, and recorded in Deed Book 106, page 362, in the office of the Clerk of the County Court of Mercer County, Kentucky.

ITEM No. 75: All of the lands formerly owned by Joseph T. Curd lying on Dix River which may be submerged by reason of the erection and maintenance of a dam in Dix River, the spillway floor of which will not be higher than 760 feet above sea level, which lands begin upstream at line of lands of Andy Hardin and run down Dix River to mouth of Spring Branch near Dix Dam and then up said Branch to the 760 foot sea level elevation as above defined, being the same property conveyed to Kentucky Hydro Electric Company by deed from Joseph T. Curd and wife, dated November 4, 1927, and recorded in Deed Book 103, page 498, in the office aforesaid.

ITEM No. 76: All of the lands formerly owned by Ida M. Hawkins, lying on Dix River which may be submerged by reason of the erection and maintenance of a dam in Dix River, the spillway floor of which will not be higher than 760 feet above sea level, which lands begin at line of lands of C. O. Perkins and run down Dix River to line of lands of S. W. Hager, and being the same property conveyed to Kentucky Hydro Electric Company by deed from Ida M. Hawkins and husband, dated June 8, 1927, and recorded in Deed Book 103, page 247, in the office aforesaid.

ITEM No. 77: All of the lands formerly owned by S. W. Hager lying on Dix River which may be submerged by reason of the erection and maintenance of a dam in Dix River, the spillway floor of which will not be higher than 760 feet above sea level, which lands begin upstream at line of lands formerly owned by Ida Hawkins and run down Dix River to Cane Run Creek, and up Cane Run to line of lands of R. L. Black, being the same property conveyed to Kentucky Hydro Electric Company by deed from S. W. Hager and wife, dated November 4, 1927, and recorded in Deed Book 103, page 504, in the office aforesaid.

ITEM No. 78: All of the lands formerly owned by R. L. Black, lying on Herrington Lake or Cane Run Creek which may be submerged by reason of the erection and maintenance of a dam in Dix River, the spillway floor of which will not be higher than 760 feet above sea level, which lands begin upstream at line of lands of R. W. Clark, and run down Cane Run Creek to line of lands of S. W. Hager, being the same property conveyed to Kentucky Hydro Electric Company by deed from R. L. Black and wife, dated November 12, 1927, and recorded in Deed Book 103, page 497, in the office aforesaid.

ITEM No. 79: All of the lands formerly owned by R. W. Clark, lying on Herrington Lake or Cane Run Creek, which may be submerged by reason of the erection and maintenance of a dam in Dix River, the spillway floor of which shall not be higher than 760 feet above sea level, which lands begin upstream at line of lands of S. W. Johnson and run down Cane Run Creek to line of lands of R. L. Black, being the same property conveyed to Kentucky Hydro Electric Company by deed from R. W. Clark and wife, dated November 5, 1927, and recorded in Deed Book 103, page 502, in the office aforesaid.

ITEM No. 80: All of the lands formerly owned by S. W. Johnson, lying on Herrington Lake or Dix River which will be submerged by reason of the erection and maintenance of a dam in Dix River, the spillway floor of which will not be higher than 760 feet above sea level, which lands begin upstream at line of lands of S. W. Johnson and M. M. Dosssett at said 760 foot level in bed

of Bowman's Branch, and run down Bowman's Branch to its mouth and down Cane Run to line of Ruther Clark or R. L. Black, being same property conveyed to Kentucky Hydro Electric Company by deed from S. W. Johnson and wife, dated November 4, 1927, and recorded in Deed Book 103, page 494, in the office aforesaid.

ITEM No. 81: All of the lands formerly owned by M. M. Dossett, lying on Herrington Lake and Cane Run Creek and Bowman's Branch which may be submerged by reason of the erection and maintenance of a dam in Dix River, the spillway floor of which will not be higher than 760 feet above sea level, which lands begin at line of Henry T. Ison near the Old Stone Mill on Cane Run Creek, and run down said Creek to lands of S. W. Johnson at or near the mouth of Johnson to the 760 foot level as above defined, being the same property conveyed to Kentucky Hydro Electric Company by deed from M. M. Dossett and wife, dated December 28, 1927, and recorded in Deed Book 103, page 534, in the office aforesaid.

ITEM No. 82: An easement, being the right to submerge and impound water upon so much of the lands of Guilford K. Cox on Cane Run Creek or Herrington Lake as may be submerged by reason of the erection and maintenance of a dam in Dix River, the spillway floor of which will not be higher than 760 feet above sea level. The lands with respect to which this easement is granted begin at line of lands of Henry T. Ison downstream and run upstream on each side of Cane Run Creek, including said stream, being the same easement conveyed to Kentucky Hydro Electric Company by deed from Guilford K. Cox and wife, dated April 14, 1927, and recorded in Deed Book 103, page 450, in the office aforesaid.

ITEM No. 83: All of the lands formerly owned by Henry T. Ison lying on Herrington Lake or Cane Run Creek which may be submerged by reason of the erection and maintenance of a dam in Dix River, the spillway floor of which will not be higher than 760 feet above sea level, which lands begin upstream at line of lands of Guilford K. Cox and run down said Cane Run Creek on both sides thereof to line of lands formerly owned

by M. M. Dossett, being the same property conveyed to Kentucky Hydro Electric Company by deed from Henry T. Ison and wife, dated February 23, 1928, and recorded in Deed Book 104, page 8, in the office aforesaid.

ITEM No. 84: All of the lands formerly owned by Andy Estes lying on Herrington Lake or Cane Run Creek which may be submerged by reason of the erection and maintenance of a dam in Dix River, the spillway floor of which will not be higher than 760 feet above sea level, which lands begin upstream at line of lands of Cas Lovett, and run down Cane Run to line of lands of Cas Lovett, being the same property conveyed to Kentucky Hydro Electric Company by deed from Andy Estes and wife, dated November 4, 1927, and recorded in Deed Book 103, page 505, in the office aforesaid.

ITEM No. 85: All of the lands formerly owned by E. T. Wilds lying on Dix River which will be submerged by reason of the erection and maintenance of a dam in Dix River, the spillway floor of which will not be higher than 760 feet above sea level, which lands begin upstream at line of lands of C. O. Perkins and run down Dix River to line of lands of C. O. Perkins, being the same property conveyed to Kentucky Hydro Electric Company by deed from E. T. Wilds and wife, dated February 16, 1928, and recorded in Deed Book 104, page 7, in the office aforesaid.

ITEM No. 86: All of the lands formerly owned by C. O. Perkins lying on Dix River which may be submerged by reason of the erection and maintenance of a dam in Dix River, the spillway floor of which will not be higher than 760 feet above sea level, which lands begin upstream at line of lands of Atwood Proctor and run down Dix River to line of lands of E. T. Wilds, and again from said Wilds' line to line of lands formerly owned by Ida Hawkins, being the same property conveyed to Kentucky Hydro Electric Company by deed from C. O. Perkins and wife, dated November 4, 1927, and recorded in Deed Book 103, page 503, in the office aforesaid.

ITEM No. 87: All of the lands formerly owned by E. G. Guttery lying on Dix River which may be submerged by reason of the erection and maintenance of a dam in

ITEM No. 91: All of the lands formerly owned by J. W. Carmickle lying on Dix River which may be submerged by reason of the erection and maintenance of a dam in Dix River, the spillway floor of which will not be higher than 760 feet above sea level, which lands begin upstream at the line of lands of Lucile P. Hutchison and run down Dix River to line of lands of Hiram Collier, being the same property conveyed to Kentucky Hydro Electric Company by deed from J. W. Carmickle and wife, dated November 4, 1927, and recorded in Deed Book 103, page 501, in the office aforesaid.

ITEM No. 92: All of the lands formerly owned by J. B. Perkins, lying on Dix River, which may be submerged by reason of the erection and maintenance of a dam in Dix River, the spillway floor of which will not be higher than 760 feet above sea level, which lands begin upstream at line of lands of Mose Floyd's Heirs and run down Dix River to line of lands of Lucile P. Hutchison, being the same property conveyed to Kentucky Hydro Electric Company by deed from J. B. Perkins, dated November 4, 1927, and recorded in Deed Book 103, page 507, in the office aforesaid.

ITEM No. 93: All of the lands formerly owned by Webb Moulder, lying on Dix River, which may be submerged by reason of the erection and maintenance of a dam in Dix River, the spillway floor of which will not be higher than 760 feet above sea level, which lands begin upstream at line of land of Hunn Heirs, Busintown Settlement, and run down Dix River to line of lands of Price Dunn, being the same property conveyed to Kentucky Hydro Electric Company by deed from Webb Moulder and wife, dated November 8, 1927, and recorded in Deed Book 103, page 500, in the office aforesaid.

ITEM No. 94: All of the lands formerly owned by E. M. Hardin and wife and Van B. Carter and wife, lying on Dix River, which may be submerged by reason of the erection and maintenance of a dam in Dix River, the spillway floor of which will not be higher than 760 feet above sea level, which lands begin upstream at line of lands of Mollie Hicks and run down Dix River to line of

Dix River, the spillway floor of which will not be higher than 760 feet above sea level, which lands begin upstream at line of lands of M. H. Johnson and run down Dix River to line of lands of Curt Estate, being the same property conveyed to Kentucky Hydro Electric Company by deed from E. G. Guttery and wife, dated November 12, 1927, and recorded in Deed Book 103, page 605, in the office aforesaid.

ITEM No. 88: All of the lands formerly owned by Sarah Rogers lying on Dix River which may be submerged by reason of the erection and maintenance of a dam in Dix River, the spillway floor of which will not be higher than 760 feet above sea level, which lands begin upstream at line of lands of Justice and Gay and run down Dix River to line of lands of Lucile P. Hutchison, and being the same property conveyed to Kentucky Hydro Electric Company by deed from Sarah Rogers, dated November 12, 1927, and recorded in Deed Book 103, page 499, in the office aforesaid.

ITEM No. 89: All of the lands formerly owned by J. D. Gay and wife and Paul M. Justice and wife lying on Dix River which may be submerged by reason of the erection and maintenance of a dam in Dix River, the spillway floor of which will not be higher than 760 feet above sea level, which lands begin upstream at line of lands of Hiram Collier and run down Dix River to line of lands of Sarah Rogers, and being the same property conveyed to Kentucky Hydro Electric Company by deed from J. D. Gay and others, dated November 5, 1927, and recorded in Deed Book 103, page 506, in the office aforesaid.

ITEM No. 90: All of the lands formerly owned by Hiram Collier lying on Dix River which may be submerged by reason of the erection and maintenance of a dam in Dix River, the spillway floor of which will not be higher than 760 feet above sea level, which lands begin upstream at line of lands of William Carmickle and run down Dix River to line of lands of Justice and Gay, being the same property conveyed to Kentucky Hydro Electric Company by deed from Hiram Collier and wife, dated November 12, 1927, and recorded in Deed Book 103, page 508, in the office aforesaid.

**Item No. 98:** All of the lands formerly owned by Victor M. Rice and wife, Mary N. Rice, and Stella R. Ballard and husband, lying on Dix River, which may be submerged by reason of the erection and maintenance of a dam in Dix River, the spillway floor of which will not be higher than 760 feet above sea level, which lands begin upstream at line of lands of Mason Brothers and run down Dix River to line of lands of R. M. Dillehay, being the same property conveyed to Kentucky Hydro Electric Company by deed dated November 12, 1927, and recorded in Deed Book 103, page 492, in the office aforesaid.

**Item No. 99:** All of the lands formerly owned by John Sanders, lying on Dix River, which may be submerged by reason of the erection and maintenance of a dam in Dix River, the spillway floor of which will not be higher than 760 feet above sea level, which lands begin upstream at line of lands of Grant Gayton and run down Dix River to line of lands of Cary Hunn's Heirs, being the same property conveyed to Kentucky Hydro Electric Company by deed from John Sanders, dated March 13, 1928, and recorded in Deed Book 104, page 72, in the office aforesaid.

**Item No. 100:** All of the lands formerly owned by Lucile P. Hutchison lying on Dix River which will be submerged by reason of the erection and maintenance of a dam in Dix River, the spillway floor of which will not be higher than 760 feet above sea level, which lands begin upstream at line of lands of J. B. Perkins and run down Dix River to line of lands of William Carmike, and also which lands begin upstream at line of lands of M. F. Johnson, being the same property conveyed to Kentucky Hydro Electric Company by deed from Lucile P. Hutchison and husband, dated March 31, 1928, and recorded in Deed Book 104, page 69, in the office aforesaid.

**Item No. 101:** All of the lands formerly owned by M. F. Johnson lying on Dix River which may be submerged by reason of the erection and maintenance of a dam in Dix River, the spillway floor of which will not be higher than 760 feet above sea level, which lands begin upstream at line of lands of Lucile P. Hutchison and

lands of Gayton Heirs, and being the same property conveyed to Kentucky Hydro Electric Company by deed from E. M. Hardin and others, dated November 14, 1927, and recorded in Deed Book 103, page 493, in the office aforesaid.

**Item No. 95:** All of the lands formerly owned by Mollie Hicks, Lylian Hicks and Florence Hosken and husband, lying on Dix River, which may be submerged by reason of the erection and maintenance of a dam in Dix River, the spillway floor of which will not be higher than 760 feet above sea level, which lands begin upstream at line of lands of Victor Rice and Neal Warren and run down Dix River to line of lands of Neal Warren and E. M. Hardin and others, being the same property conveyed to Kentucky Hydro Electric Company by deed from Mollie Hicks and others, dated November 5, 1927, and recorded in Deed Book 103, page 496, in the office aforesaid.

**Item No. 96:** All of the lands formerly owned by Neal Warren, lying on Dix River, which may be submerged by reason of the erection and maintenance of a dam in Dix River, the spillway floor of which will not be higher than 760 feet above sea level, which lands begin upstream at line of lands of Mollie Hicks and run down Dix River to line of lands formerly owned by Richard Hicks, being the same property conveyed to Kentucky Hydro Electric Company by deed from Neal Warren and wife, dated February 22, 1928, and recorded in Deed Book 104, page 10, in the office aforesaid.

**Item No. 97:** All of the lands formerly owned by Robt. M. Dillehay, lying on Dix River, which will be submerged by reason of the erection and maintenance of a dam in Dix River, the spillway floor of which will not be higher than 760 feet above sea level, which lands begin upstream at line of lands of Victor Rice, and run down Dix River to line of lands of Mollie Hicks, being the same property conveyed to Kentucky Hydro Electric Company by deed from Robt. M. Dillehay, dated November 5, 1927, and recorded in Deed Book 103, page 495, in the office aforesaid.

run down Dix River to line of lands of E. G. Guttery, being the same property conveyed by M. F. Johnson and wife to Kentucky Hydro Electric Company, by deed dated April 2, 1928, and recorded in Deed Book 104, page 70, in the office aforesaid.

Item No. 102: All of the lands formerly owned by Cas Lovett, lying on Herrington Lake or Cane Run Creek, which may be submerged by reason of the erection and maintenance of a dam in Dix River, the spillway floor of which will not be higher than 760 feet above sea level, which lands begin upstream on Cane Run at line of lands formerly owned by M. M. Dossett and run down Cane Run to line of lands of Andy Estes, also from Estes' line down Cane Run and up Denny Branch to 760 foot level as above described, being the same property conveyed to Kentucky Hydro Electric Company by deed from Cas Lovett and wife, dated March 14, 1928, and recorded in Deed Book 104, page 53, in the office aforesaid.

Item No. 103: All of the lands formerly owned by George Smith lying on Dix River, which may be submerged by reason of the erection and maintenance of a dam in Dix River, the spillway floor of which will not be higher than 760 feet above sea level, which lands begin upstream at line of lands of J. B. Perkins and run down Dix River to line of lands of Humm's Chapel, being the same property conveyed to Kentucky Hydro Electric Company by deed from George Smith and wife, dated March 12, 1928, and recorded in Deed Book 104, page 40, in the office aforesaid.

Item No. 104: All of the lands formerly owned by Shelby Smith lying on Dix River, which may be submerged by reason of the erection and maintenance of a dam in Dix River, the spillway floor of which will not be higher than 760 feet above sea level, which lands begin upstream at line of lands of Humm's Chapel or J. B. Perkins, and run down Dix River to line of lands of Thomas Floyd's Heirs, and also from said last mentioned line down to line of lands of J. B. Perkins, being the same property conveyed to Kentucky Hydro Electric Company by deed from Shelby Smith and wife, dated

March 12, 1928, and recorded in Deed Book 104, page 41, in the office aforesaid.

Item No. 105: All of the lands owned by Grant Gayton lying on Dix River which may be submerged by reason of the erection and maintenance of a dam in Dix River, the spillway floor of which will not be higher than 760 feet above sea level, which lands begin upstream at line of lands of Nannie Poor and run down Dix River to line of lands of John Sanders, being the same property conveyed to Kentucky Hydro Electric Company by deed from Grant Gayton and wife, dated March 12, 1928, and recorded in Deed Book 104, page 42, in the office aforesaid.

Item No. 106: All of the lands formerly owned by Wash Payne, lying on Dix River which may be submerged by reason of the erection and maintenance of a dam in Dix River, the spillway floor of which will not be higher than 760 feet above sea level, which lands begin upstream at line of lands of J. B. Perkins and run down Dix River to line of lands of Lucile Hutchison, being the same property conveyed to Kentucky Hydro Electric Company by deed from Wash Payne, dated March 13, 1928, and recorded in Deed Book 104, page 43, in the office aforesaid.

Item No. 107: All of the lands formerly owned by Rice Dunn lying on Dix River, which may be submerged by reason of the erection and maintenance of a dam in Dix River, the spillway floor of which will not be higher than 760 feet above sea level, which lands begin upstream at line of lands of John Sanders and run down Dix River to line of lands of Jordan Taylor's Heirs, being the same property conveyed to Kentucky Hydro Electric Company by deed from Price Dunn and wife, dated March 12, 1928, and recorded in Deed Book 104, page 38, in the office aforesaid.

Item No. 108: All of the lands formerly owned by Trustees of Humm's Chapel Church lying on Dix River, which may be submerged by reason of the erection and maintenance of a dam in Dix River, the spillway floor of which will not be higher than 760 feet above sea level, which lands begin upstream at line of lands of George

Smith and run down Dix River to line of lands of Shelby Smith, being the same property conveyed to Kentucky Hydro Electric Company by deed from said Trustees, dated March 13, 1928, and recorded in Deed Book 104, page 39, in the office aforesaid.

All of the real estate conveyed by the foregoing items numbered respectively 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 15, 16, 18, 19, 21, 23, 24, 26, 28, 30, 31, 32, 33, 34, 35, 39, 40, 41, 42, 43, 45, 46, 47, 48, 49, 50, 52, 53, 54, 55, 56, 61, 63, 65, 69 and 71 of this deed was conveyed to Kentucky Hydro Electric Company by deed from Dix River Power Company, dated January 9, 1924, and recorded in Deed Book 100, page 464, in the office of the Clerk aforesaid.

Item No. 109: All of the lands formerly owned by Holman Kurtz, lying on Dix River or Cane Run which may be submerged by reason of the erection and maintenance of a dam in Dix River, the spillway floor of which will not be higher than 760 feet above sea level, which lands begin upstream at line of 760 foot sea level above described and run down Wallace Branch to line of lands of J. F. Rupley; and also begin at line of Rupley and run down Cane Run to lands of W. O. Lyons, being the same property conveyed to Kentucky Hydro Electric Company by deed from Holman Kurtz and wife dated November 12, 1928, and recorded in Deed Book 104, page 319, in the office aforesaid.

Item No. 110: All of the lands formerly owned by Andy W. Hardin, lying on Dix River which may be submerged by reason of the erection and maintenance of a dam in Dix River, the spillway floor of which will not be higher than 760 feet above sea level, which lands begin upstream at line of lands of W. F. Lyons' heirs on Sternbergen Branch and run down same to Dix River and down Dix River to line of lands of Jos. T. Curtt, being the same property conveyed to Kentucky Hydro Electric Company by deed from Andy W. Hardin and wife, dated October 1, 1928, and recorded in Deed Book 104, page 318, in the office aforesaid.

Item No. 111: All of the lands formerly owned by W. H. Bower and Alvin W. Glascock, lying on Herring-

ton Lake or Denny and Grow Branches which may be submerged by reason of the erection and maintenance of a dam in Dix River, the spillway floor of which will not be higher than 760 feet above sea level, which lands begin upstream at 760 foot level as above defined at line of lands of Holman Kurtz and run down to line of lands of E. W. Denny, being the same property conveyed to Kentucky Hydro Electric Company by deed from said Bower and Glascock and their respective wives, dated November 3, 1928, and recorded in Deed Book 104, page 370, in the office aforesaid.

Item No. 112: All of the lands formerly owned by John Fred Ruple, lying on Herrington Lake or Cane Run, which may be submerged by reason of the erection and maintenance of a dam in Dix River, the spillway floor of which will not be higher than 760 feet above sea level, which lands begin upstream at line of lands of Holman Kurtz and run down Cane Run to line of lands of Holman Kurtz, being the same property conveyed to Kentucky Hydro Electric Company by deed from said Ruple and wife, dated October 17, 1928, and recorded in Deed Book 104, page 307, in the office aforesaid.

Item No. 113: All of the lands formerly owned by D. E. Mills and wife, C. H. Noel and wife, and R. G. Noel, lying on Dix River which may be submerged by reason of the erection and maintenance of a dam in Dix River, the spillway floor of which will not be higher than 760 feet above sea level, which lands begin upstream at line of lands of Atwood Proctor and run downstream to line of lands of W. E. Scott, being the same property conveyed to Kentucky Hydro Electric Company by deed from the parties aforesaid, dated November 14, 1928, and recorded in Deed Book 104, page 368, in the office aforesaid.

Item No. 114: All of the lands formerly owned by J. M. Murphy and others, lying on Dix River which may be submerged by reason of the erection and maintenance of a dam in Dix River, the spillway floor of which will not be higher than 760 feet above sea level, which lands begin upstream at line of lands of W. E. Scott and run down Dix River to line of lands of Campbell and Foushee,

and being the same property conveyed to Kentucky Hydro Electric Company by deed from J. M. Murphy and others, dated November 14, 1928, and recorded in Deed Book 104, page 385.

ITEM No. 115: All of the lands formerly owned by W. E. Scott, lying on Dix River which may be submerged by reason of the erection and maintenance of a dam in Dix River, the spillway floor of which will not be higher than 760 feet above sea level, which lands begin upstream at line of lands of Mills and run downstream to line of lands of Murphy, being the same property conveyed to Kentucky Hydro Electric Company by deed from said Scott and wife, dated November 14, 1928, and recorded in Deed Book 104, page 369, in the office aforesaid.

ITEM No. 116: All of the lands formerly owned by W. Oscar Lyons, lying on Dix River, which may be submerged by reason of the erection and maintenance of a dam in Dix River, the spillway floor of which will not be higher than 760 feet above sea level, which lands begin upstream at line of lands of Holman Kurtz on Cane Run and run down same and down Dix River to line of lands of W. F. Lyons' estate, being the same property conveyed to Kentucky Hydro Electric Company by deed from W. Oscar Lyons, dated April 18, 1928, and recorded in Deed Book 104, page 101, in the office aforesaid.

ITEM No. 117: All the lands formerly owned by Thomas Floyd and other heirs of Moses Floyd, lying on Dix River, which may be submerged by reason of the erection and maintenance of a dam in Dix River, the spillway floor of which will not be higher than 760 feet above sea level, which lands begin upstream at line of lands of estate of Jordan Taylor and run down Dix River to line of lands of J. B. Perkins, being the same property conveyed to Kentucky Hydro Electric Company by deed from Thomas Floyd and others, dated March \_\_\_\_\_, 1928, and recorded in Deed Book 104, page 238, in the office aforesaid.

ITEM No. 118: All of the lands formerly owned by the widow and heirs of Carey Hunn, deceased, lying on Dix

River which may be submerged by reason of the erection and maintenance of a dam in Dix River, the spillway floor of which will not be higher than 760 feet above sea level, which lands begin upstream at line of lands of John Saunders and run down Dix River to line of lands of Price Drunt, being the same property conveyed to Kentucky Hydro Electric Company by deed from Eliza Hunn and others, dated March 27, 1928, and recorded in Deed Book 104, page 242, in the office aforesaid.

ITEM No. 119: The following described tract of land on Dix River: BEGINNING at a stake or stone in the line of Atwood Proctor, which point is in the fence line between the heirs of Thomas J. Curd and Atwood Proctor, 57½ feet South from Foley Spring and 20½ feet vertically above said Spring, and continuing therefrom on a level line, and with the remaining land of the grantors S. 85-15 E. 120 ft.; S. 81-10 E. 192 ft.; N. 87-E 170 ft.; S. 82-30 E. 165 ft.; S. 72-30 E. 175 ft.; S. 83-30 E. 90 ft.; S. 69-20 E. 145 ft.; S. 79-30 E. 108 ft.; N. 83-30 E. 130 ft.; N. 85-30 E. 275 ft.; N. 73 E. 166 ft.; N. 87-50 E. 204 ft.; N. 66-40 E. 120 ft.; N. 45-40 E. 136 ft.; N. 68-25 E. 100 ft.; N. 84-35 E. 135 ft.; N. 87-50 E. 175 ft.; N. 84-10 E. 190 ft.; N. 85-10 E. 250 ft.; N. 78-30 E. 156 ft.; N. 85-25 E. 155 ft.; N. 89-25 E. 225 ft.; N. 83-30 E. 200 ft.; N. 87-15 E. 221 ft.; to a point in the line of E. G. Guttery; thence leaving said line and running North with Guttery's old line to middle of Dix River; thence down same to mouth of Foley Spring Branch; thence up said Branch with line of Atwood Proctor to center of Foley Spring; thence South with Proctor's line to the point of BEGINNING, being the same property conveyed to Kentucky Hydro Electric Company by deed from M. F. Curd and others, dated September 4, 1928, and recorded in Deed Book 104, page 235, in the office aforesaid.

ITEM No. 120: All of the lands formerly owned by Atwood Proctor, lying on Dix River which may be submerged by reason of the erection and maintenance of a dam in Dix River, the spillway floor of which will not be higher than 760 feet above sea level, which lands begin upstream at line of lands of T. J. Curd Estate, thence up Foley Spring Branch, thence down same and down Dix River to line of lands of Elmore Mills and others,

being the same property conveyed to Kentucky Hydro Electric Company by deed from Atwood Proctor and wife, dated August 25, 1928, and recorded in Deed Book 104, page 234, in the office aforesaid.

**Item No. 121:** All of the lands formerly owned by R. Walter Denny, lying on Herrington Lake or Denny's, Wallace's and Grover's Branches, which may be submerged by reason of the erection and maintenance of a dam in Dix River, the spillway floor of which will not be higher than 760 feet above sea level, which lands begin at line of land of Cas Lovett on Denny's Branch and extend down said Branch to lands of Bower and Glascock on Grover Branch, being the same property conveyed to Kentucky Hydro Electric Company by deed from said Denny and wife dated April 3, 1928, and recorded in Deed Book 104, page 115, in the office aforesaid.

**Item No. 122:** All of the lands formerly owned by Nellie C. Cambell and others, lying on Dix River which may be submerged by reason of the erection and maintenance of a dam in Dix River, the spillway floor of which will not be higher than 760 feet above sea level, which lands begin upstream at line of lands of O. W. Murphy Co. and run down Dix River to line of lands of S. O. Vanarsdall, being the same property conveyed to Kentucky Hydro Electric Company by deed from Nellie C. Cambell and others, dated November 14, 1928, and recorded in Deed Book 104, page 422, in the office aforesaid.

**Fifth:** The real estate situate in Boyle County, Kentucky, and described as follows:

**Item No. 1:** All of the lands formerly owned by Lunsford P. Yandell in Boyle and Mercer Counties, Kentucky, the greater part thereof lying in Boyle County, on Mock's Creek and Dix River which lie below a line 750 feet above sea level, and beginning at line of lands of Reubin W. Gwinn on Mock's Creek and down said Creek to its mouth at Dix River and thence down Dix River with line of lands of Reubin W. Gwinn and Fidelity Realty Company to line of lands of Vic Rice, being the same property conveyed to Dix River Power Company by Lunsford P.

Yandell, et. al., by deed dated December 17, 1921, and recorded in Deed Book 52, page 138, in the office of Boyle County Court.

**Item No. 2:** All of the lands formerly owned by Emma Haselden on Mock's Creek which lie below a line 750 feet above sea level, and beginning on the West line of Emma Haselden's land at the Danville and Pleasant Hill turnpike road, or at a point on said creek where the line 750 feet above sea level occurs on the South side of said creek, and running thence down said creek with the line of lands of R. W. Gwinn (formerly Yandell), and Yandell in the creek bet. to the line of the lands of Grover C. Settles, and this includes all of the lands of Emma Haselden lying in and on said creek which are below a line 750 feet above sea level, being the same property conveyed to Dix River Power Company by Emma Haselden, a widow, by deed dated September 8, 1922, and recorded in Deed Book 50, page 640, in the office of the Clerk of Boyle County Court.

**Item No. 3:** All of the lands formerly owned by Grover C. Settles on Wilson's Run and Mock's Creek or Harrod's Run lying below a line seven hundred and fifty (750) feet above sea level, and beginning at line of the land of John Spears (formerly Lee) and thence down Wilson's Run with its meanders and with Harrod's line to the mouth of Wilson's Run; thence up Mock's Creek or Harrod's Run with its meanders and with Yandell's line to line of lands of Mrs. Emma Haselden, being the same property conveyed to Dix River Power Company by Grover C. Settles by deed dated October 7th, 1921, and recorded in Deed Book 50, page 126, in the office aforesaid.

**Item No. 4:** All of the lands formerly owned by Leslie O. Harber on Wilson's Run and Mock's Creek, in said County, which lie below a line 750 feet above sea level, and beginning near the point on Wilson's Run where the County road crosses same and at or near the line of the lands of Grover C. Settles, et. al., and thence with said Run and Settles' line to the mouth of same at Mock's Creek, thence down same about 500 feet to line of the lands of Weisiger estate, at a Branch, being the same

W 74.5 feet; thence with same S 60° 39 minutes W 207.7 feet; thence with same N 77° 3 minutes W 60.7 feet; thence with same S 3° 25 minutes W 64.7 feet; thence with same S 9° 15 minutes E 150.5 feet; thence with same S 10° 19 minutes E 175.5 feet to line between lands of M. G. Weisiger and L. O. Harber on and near branch; thence down said branch N 37° 27 minutes W 54.1 feet; thence with same N 15° 10 minutes W 40.1 feet; thence with same N 27° 12 minutes W 307.5 feet; thence with same N 9° 34 minutes W 290.5 feet to the middle of Mock's Creek; thence with Mock's Creek S 81° 37 minutes E 355.3 feet; thence with same S 69 degrees 25 minutes E 398.2 feet; thence with same N 7° 31 minutes E 312.7 feet; thence with same N 7° 8 minutes E 153.5 feet; thence with same N 26° 2 minutes W 148.4 feet; thence with same N 24° 7 minutes W 191.1 feet; thence S 57° 53 minutes E 96.5 feet to a point on Dix River at low water mark; thence with the River N 89° 43 minutes E 493 feet to a point at low water mark; thence N 76° 30 minutes E 231.5 feet to a point at low water mark; thence N 73° 19 minutes E 89 feet to line of lands of M. G. Weisiger at the edge of low water of Dix River; thence N 10° E 130 feet to the beginning, and being a point upon the contour line 760 feet above sea level, and which boundary contains 9.51 acres of land; and also all of the lands of M. G. Weisiger, Emma Weisiger and Lucy W. Harding, in and on Dix River, Mock's Creek and the above mentioned branch emptying into Mock's Creek, which lie between the lines of the boundary herein described and the thread or middle of said three streams.

The above two parcels of land are the same conveyed to Kentucky Hydro Electric Company by Master Commissioner of Boyle Circuit Court for M. G. Weisiger and others, dated January 23, 1926, and recorded in Deed Book 55, page 17, in the office aforesaid.

ITEM No. 7 All of the land formerly owned by M. J. Farris, Sr., on Dix River in Boyle County, Kentucky, which will be submerged by reason of the erection and maintenance of a dam in Dix River, the Spillway floor of which will not be higher than 750 feet above sea level, and beginning up stream at the line of the land formerly

property conveyed to Dix River Power Company by Leslie O. Harber, et. al., by deed dated February 6th, 1922, and recorded in Deed Book 50, page 237, in the office of the Clerk of Boyle County Court.

ITEM No. 5: Situate in Boyle County, Kentucky, on Dix River and beginning at a hub and guard on the line between the lands of M. G. Weisiger, and M. J. Farris, and on the contour line 760 feet above sea level, and running thence South 10° West 171.4 feet to a point 15 feet from low water mark of Dix River; thence N 65° 55 minutes E 72.8 feet to a point 15 feet from low water mark of Dix River; thence N 73° 19 minutes E 106.1 feet to a point; thence leaving the River N 10° E 130 feet to a point in line between lands of M. G. Weisiger and lands of Weisiger's Estate and on the contour line 760 feet above sea level; thence S 67° 44 minutes W 28 feet to a point on said contour line; thence with said contour line S 78° 55 minutes W 152.1 feet to a point on said contour line; thence S 87° 45 minutes W 83.1 feet to the point of beginning and containing .83 of an acre of land; also, all of the lands of M. G. Weisiger in and on Dix River, which lie between the lines of the boundary hereinabove described and the thread or middle of Dix River.

ITEM No. 6: Beginning at a point on the West boundary line of lands of M. G. Weisiger on and near Dix River in Boyle County, Kentucky, on the contour line 760 feet above sea level and running thence with same S 78° 49 minutes W with said contour line 72.5 feet; thence with same S 76° 55 minutes W 89.1 feet; thence with same S 88° 19 minutes W 171.8 feet; thence with same S 1° 84° 16 minutes W 130.7 feet; thence with same S 1° 50 minutes W 17 feet; thence with same 14° 48 minutes E 84.1 feet; thence with same S 26° 28 minutes E 52.8 feet; thence with same S 7° 42 minutes W 112.8 feet; thence with same S 27 degrees 33 minutes W 110 feet; thence with same S 51° 51 minutes W 204 feet; thence with same S 88° S 63° 36 minutes W 165.1 feet; thence with same N 80° 55 minutes W 208 feet; thence with same N 80° 55 minutes W 95.2 feet; thence with same S 76° 26 minutes

owned by John Tibbs, and extending down Dix River to the line of the lands owned by Weisger, being the same property conveyed to Kentucky Hydro Electric Company by deed from M. J. Farris, Sr., and wife, dated January 15, 1924, and recorded in Deed Book 52, page 332, in the office of the Clerk of the County Court of Boyle County, Kentucky.

Trax No. 8: All the lands formerly owned by John C. Tibbs lying below a line 750 feet above sea level on Dix River beginning at line of lands of Margaret Davis and extending down the river to line of lands of Jacob White, being the same property conveyed to Dix River Power Company by John C. Tibbs, et al., by deed dated December 17, 1921, and recorded in Deed Book 50, page 225, in the office of the Clerk of Boyle County Court.

Trax No. 9: Beginning on line between Margaret T. Davis and John C. Tibbs at a point on Dix River 13 feet S 4° 36 minutes W from mean low water; thence S 4° 36 minutes W 438.2 feet with line of Tibbs to a point on a line 760 feet above sea level; thence with said line 760 feet above sea level as follows: N 84° 29 minutes E 130.2 feet; S 85° 41 minutes E 269.8 feet; S 76° 35 minutes E 119 feet; thence S 64° 30 minutes E 91.4 feet; S 55° 22 minutes E 163 feet; S 49° 5 minutes E 104.3 feet; S 42° 32 minutes E 179.9 feet; S 32° 51 minutes E 209.5 feet; S 30° E 201.8 feet; S 19° 12 minutes E 248 feet; S 0° 3 minutes W 157.8 feet; S 13° 8 minutes W 121.9 feet; S 20° 3 minutes W 108.7 feet; S 28° 5 minutes W 128.5 feet; S 24° 55 minutes W 126.1 feet; S 27° 16 minutes W 157.6 feet; S 21° 9 minutes W 106.4 feet; S 26° 19 minutes W 131.8 feet; S 29° 16 minutes W 166.1 feet; S 23° 1 minute W 341.8 feet; S 28° 22 minutes W 190.5 feet; S 41° 30 minutes W 162.4 feet; S 20° 13 minutes E 88 feet; S 4° 54 minutes W 71.1 feet; S 14° 57 minutes W 201.7 feet; S 14° 27 minutes W 291.8 feet; S 12° 50 minutes W 359.4 feet; S 10 degrees 33 minutes W 363.5 feet; S 5° 9 minutes W 307 feet; S 2° 30 minutes W 49.7 feet; S 14° 8 minutes W 192.6 feet; S 20° 30 minutes E 129.7 feet; S 24° 20 minutes E 54 feet; S 0°

34 minutes E 77.5 feet; S 18° 15 minutes W 120.4 feet; S 35° 16 minutes E 66.6 feet; S 38° 18 minutes E 145.2 feet; S 44° 7 minutes E 162.1 feet; S 65° 4 minutes E 116.5 feet; S 74° 29 minutes E 199.8 feet; S 65° 33 minutes E 161 feet; N 72° 3 minutes E 89.9 feet; N 80° 12 minutes E 196.6 feet; N 6° 44 minutes E 94.2 feet; thence crossing a branch N 60° 54 minutes E 27.8 feet to a point on the 760 foot contour line in property line between Margaret P. Davis and Robert H. Bright; thence leaving said contour line and running to the river N 19° 10 minutes W 176.3 feet to a point on the river 16 feet from the edge of mean low water; thence down the river with the edge of mean low water; or at a short distance therefrom as follows: S 69° 27 minutes W 247.4 feet; S 89° 14 minutes W 240.7 feet; N 66° 2 minutes W 222.6 feet; N 34° 22 minutes W 221 feet; N 17° 50 minutes W 224.3 feet; N 8° 47 minutes E 273.6 feet; N 5° 14 minutes E 217.7; N 10° 56 minutes E 114.9 feet; N 10° 23 minutes E 151.8 feet; N 0° 21 minutes E 97.8 feet; N 7° 29 minutes E 143.7 feet; N 17° 24 minutes E 142.4 feet; N 17° 32 minutes E 125.8 feet; N 15° 12 minutes E 176.5 feet; N 24° 29 minutes E 145.5 feet; N 13° 40 minutes E 132 feet; N 33° 8 minutes E 226.8 feet; N 33° 8 minutes E 168 feet; N 19° 5 minutes E 105.6 feet; N 12° 0 minutes E 246.8 feet; N 23° 24 minutes E 270.7 feet; N 23° 28 minutes E 195 feet; N 15° 27 minutes E 128.3 feet; N 30° 9 minutes E 207.4 feet; N 21° 39 minutes E 189.6 feet; N 21° 47 minutes E 233.9 feet; N 16° 15 minutes E 276.8 feet; N 7° 5 minutes E 224.4 feet; N 28° 19 minutes W passing at 181 feet a point 66 feet from the edge of mean low water, 375.8 feet to a point 11 feet from mean low water; N 45° 16 minutes W 230.9 feet; N 37° 26 minutes W 149 feet; N 56° 19 minutes W 133 feet; N 48° 17 minutes W 237.3 feet; N 62° 14 minutes W 379 feet; N 83° 32 minutes W 390 feet to the point of beginning. Said tract as hereinabove described contains 34.09 acres of land.

The foregoing property is the same conveyed to Kentucky Hydro Electric Company by deed from Margaret T. Davis, dated December 29, 1924, and recorded in Deed Book 53, page 604.

ITRM No. 10: All of the lands formerly owned by Robt. H. Bright lying on Dix River and Barbee's Branch, which may be submerged by reason of the erection and maintenance of a dam in Dix River, the spillway floor of which will not be higher than 750 feet above sea level, and beginning on Barbee's Branch at the line of lands formerly owned by Susie Penman and Charlie Jones and extending down Barbee's Branch to its junction with Dix River, and thence down Dix River to line of lands of Margaret T. Davis, being the same property conveyed to Kentucky Hydro Electric Company by deed dated September 23, 1924, and recorded in Deed Book 53, page 241, in the office aforesaid.

ITRM No. 11: Beginning at a stake in Beddow's line, and running East 48 yards and five inches to a stake in Milton Clarks' corner in the Branch (Barbee's); thence South 100 yards running with the Branch and Clark's line; thence West 48 yards and five inches to a large rock; thence North 100 yards to the beginning, containing one acre, being the same property conveyed to Dix River Power Company by Susan Penman, a widow, by deed dated July 27, 1922, and recorded in Deed Book 50, page 546, in the office of the Clerk of Boyle County Court.

Provided, however, that this conveyance does not include so much of the above described tract of one (1) acre as will not be submerged by reason of the erection and maintenance of a dam in Dix River, the spillway floor of which will be maintained on a line not higher than 760 feet above sea level, which excepted portion of said tract was conveyed to Edwin P. Curry and Evelyn G. Curry by deed from Kentucky Hydro Electric Company, dated September 5, 1928, and recorded in the office of the Clerk aforesaid.

ITRM No. 12: All of the land formerly owned by Evelyn G. Curry and Edwin P. Curry on Barbee's Branch in Boyle County which will be submerged by the erection and maintenance of a dam in Dix River, the spillway floor of which will not be higher than 750 feet above sea level, being a part of the same property conveyed to Kentucky Hydro Electric Company by deed from Evelyn

G. Curry and Edwin P. Curry, dated November 9, 1923, and recorded in Deed Book 52, page 329, in the office of the Clerk of the County Court of Boyle County, Kentucky.

ITRM No. 13: All of the land formerly owned by Huston Finley on Barbee's Branch in Boyle County which may be submerged by reason of the erection and maintenance of a dam in Dix River, the spillway floor of which will not be higher than 750 feet above sea level, which land is near and immediately below the Danville and Lexington Turnpike road and begins at the North or West right-of-way line of said road at a stone wall near a grocery store, and extends down Barbee's Branch in a westerly or Northwesterly direction on each side thereof to the line of the land formerly owned by Charlie Jones, being the same property conveyed to Kentucky Hydro Electric Company by deed from Huston Finley and wife, dated February 13, 1924, and recorded in Deed Book 52, page 414, in the office of the Clerk of the County Court of Boyle County, Kentucky.

ITRM No. 14: All of the lands formerly owned by Charley Jones in Boyle County, Kentucky, which lie below a line 750 feet above sea level and located on Barbee's or Stony Point Branch of Dix River and adjoining lands of Huston Finley on the left fork of said Branch, and the lands of E. P. Curry and wife and Susan Penman on the right fork, being the same property conveyed to Dix River Power Company by Charley Jones by deed dated August 2, 1922, and recorded in Deed Book 50, page 542, in the office of the Clerk of Boyle County Court.

ITRM No. 15: All of the lands formerly owned by Huston Finley lying below a line 750 feet above sea level, on the East side of Stony Point Branch, and beginning at line of lands of Charley Jones, colored, and extending North down said branch to line of lands of Frank Brown, formerly Hukill, now Dix River Power Company, being the same property conveyed to Dix River Power Company by Huston Finley, et al, by deed dated October 14, 1921, and recorded in Deed Book 49, page 633, in the office of the Clerk of Boyle County Court.

ITEM No. 16: Beginning on the West bank of Dix River at a point which is N. 32½ degrees E. 29.61 chains from two locust trees near a spring, corner to Anderson Davis; thence with the West bank of the River, N 12½ degrees W. 0.60 of a chain to Hukill's corner (formerly Jean); thence up the cliff with said line to a point 725 feet above sea level, as the same may run, to the line of Anderson Davis; hence with said line to the beginning.

ITEM No. 17: Beginning at a point in the East Bank of Dix River, corner to Hukill (formerly Jean), thence with the river S. 42½ degrees E. 3.82 chains; thence with same S. 50¼ degrees E. 4.46 chains; thence with same S. 32¾ degrees E. 2.38 chains; thence with same S. 31¾ degrees E. 2.62 chains; thence with same S. 2½ degrees E. 2.60 chains; thence with same S. 9 degrees W. 1.91 chains; thence with same S. 30¾ degrees W. 2.88 chains; thence with Southeast bank of same S. 58 degrees W. 5.69 chains; thence with South bank of same S. 85¾ degrees W. 4.36 chains; thence with same N. 75¾ degrees W. 3.55 chains; thence with same N. 86¾ degrees W. 3 chains; thence with same W. 2.55 chains; thence with same N. 87½ degrees W. 1.83 chains; thence with same S. 86¼ degrees W. 2.68 chains to middle of mouth of Barbee's Branch, or Stony Point Branch, thence with middle of said Branch S. 10¼ degrees E. 7.92 chains; thence with middle of same S. 18¼ degrees E. 9.37 chains to Tucker's (formerly Yeager's) corner; thence up the cliff bank of said branch to a point in line of Tucker, 725 feet above sea level; thence a line continuing at 725 feet above sea level down said branch and around the cliff at mouth of same and continuing on up the river, at said elevation, to the line of Hukill (formerly Jean); thence with Hukill's line to the beginning. The foregoing two parcels are the same property conveyed to Dix River Power Company by E. P. Johnson, et. al., by deed dated March 19, 1913, and recorded in Deed Book 40, page 347, in the office of the Clerk of Boyle County Court.

ITEM No. 18: Being all of the property formerly owned by J. B. Tucker in Boyle County, Kentucky, on Dix

River which may be submerged by reason of the erection and maintenance of a dam in Dix River, the spillway floor of which will not be higher than 750 feet above sea level, being the same property conveyed to Kentucky Hydro Electric Company by deed dated October 10, 1923, and recorded in Deed Book 52, page 141, in the office of the Clerk of the Boyle County Court.

ITEM No. 19: Beginning at a point on the bank of Dix River, corner to Mrs. Anderson Rice's dower (now E. P. Johnson); thence down the river North 29 poles; thence N. 31 degrees E. 10 poles to the line of W. P. Rice; thence up the cliff with said Rice's line to a point 725 feet above sea level; thence up the river continuing at 725 feet above sea level, as the same may run, to a point in the line of E. P. Johnson; thence with Johnson's line to the beginning.

ITEM No. 20: Beginning at a point on Dix River corner to W. P. Rice; thence down the river S. 44½ degrees E. 88 poles to a stake corner to E. P. Johnson (formerly Cotton and Rice dower); thence with said line up the cliff to a point 725 feet above sea level; thence up the river a line continuing at 725 feet above sea level, as the same may run, to the line of W. P. Rice; thence with said line to the beginning. The foregoing two parcels are the same property conveyed to Dix River Power Company by E. W. Hukill, et. al., by deed dated March 19, 1913, and recorded in Deed Book 40, page 349, in the office of the Clerk of Boyle County Court.

ITEM No. 21: Being all of the lands formerly owned by J. W. Walker on Dix River in Boyle County which may be submerged by reason of the erection and maintenance of a dam in Dix River, the spillway floor of which will not be higher than 750 feet above sea level; this tract being located between the lands of W. P. Rice and J. B. Tucker and being the same conveyed to Kentucky Hydro Electric Company by deed dated October 10, 1923, and recorded in Deed Book 52, page 192, in the office of the Clerk of the County Court of Boyle County, Kentucky.

ITEM No. 22: Beginning at a point on Dix River, corner to Brackett (now Hukill); thence down the river

Irxm No. 25: All of the lands formerly owned by George Simpson and the heirs of George Graves on Dix River which lie below a line 750 feet above sea level and beginning at the line of the lands of Walter Rice and running down Dix River to the line of the lands of T. A. Bradley and being a part of the same real estate conveyed to George Simpson and George Graves by deed from Walter Rice dated June 10, 1881, and recorded in Deed Book 16, page 243, in the office of the Clerk of the County Court of Boyle County, Kentucky, and being the same property conveyed to Dix River Power Company by two deeds, one dated July 19, 1922, and recorded in Deed Book 50, page 551, and one dated August 15, 1922, and recorded in Deed Book 52, page 64, in the office of the Clerk aforesaid.

Irxm No. 26: Beginning at a point on the bank of Dix River, corner to Lot No. 6 (T. A. Rice, now W. P. Rice); thence down the river N. 25½ E. 35 poles to a corner to Lot No. 8 (Nannie E. Rice, now Floyd Wilson); thence up the cliff with said line to a point 690 feet above sea level; thence up the river a line continuing at 690 feet above sea level, as the same may run, to the line between grantor and Lot No. 6 (T. A. Rice, now W. P. Rice); thence with said line to the point of beginning.

Irxm No. 27: Beginning at a point on the bank of Dix River, corner to Lot No. 8 (Nannie E. Rice, now Floyd Wilson); thence down the river S. 75 W. 54 poles; S. 54 W. 23 poles; to a corner to Lot No. 6 (T. A. Rice, now W. P. Rice); thence with said line up the cliff to a point 690 feet above sea level; thence up the river a line continuing at 690 feet above sea level, as the same may run, to the line of Lot No. 8 (Nannie E. Rice, now Floyd Wilson); thence with said line to the beginning. The foregoing two parcels are the same property conveyed to Dix River Power Company by T. A. Bradley, et. al., by deed dated March 22, 1913, and recorded in Deed Book 40, page 345, in the office of the Clerk of Boyle County Court.

Irxm No. 28: All of the lands formerly owned by Mary I. Bradley, Virginia Bradley and Frances F. Brad-

N. 31 E. 20 poles, thence N. 40½ E. 20 poles; thence N. 31¾ W. 33 poles to line of George Graves and Simpson; thence with said line, leaving the river, up the cliff, to a point 690 feet above sea level; thence up the river in a line continuing at 690 feet above sea level; as the same may run, to the line of Hunkill; thence with his line down the cliff to the point of beginning, being the same property conveyed to Dix River Power Company by W. P. Rice, by deed dated April 15, 1913, and recorded in Deed Book 40, page 351, in the office of the Clerk of Boyle County Court.

Irxm No. 23: Beginning at a point on Dix River, the southwest corner of Lot No. 7 (now T. A. Bradley, formerly Annie M. Rice, see D. B. 10, page 320); thence S. 54 W. 43 poles, down the river, to corner to Lot No. 5; thence continuing down the river S. 54 W. 40 poles; thence down the river S. 44¾ E. 4 poles to Southwest corner of Lot 5, and corner to Hunkill; thence leaving the river, up the cliff, with Hunkill's line, to a point 690 feet above sea level; thence up the river a line continuing at 690 feet above sea level, as the same may run, across the Western ends of Lots 5 and 6 to line of Lot 7 (T. A. Bradley); thence with his line, down the cliff to the point of beginning, and being parts of Lots 5 and 6 of the division of the estate of A. Rice, deceased, conveyed to W. P. Rice by Rice's heirs, by deed dated December 15, 1867, recorded in Deed Book 10, page 320, and by Thomas A. Rice, by deed dated February 14, 1874, recorded in Deed Book 12, Page 574, respectively, being the same property conveyed to Dix River Power Company by W. P. Rice by deed dated April 15, 1913, and recorded in Deed Book 40, page 351, in the office of the Clerk of Boyle County Court.

Irxm No. 24: Being all of the lands formerly owned by W. P. Rice on Dix River in Boyle County which may be submerged by reason of the erection and maintenance of a dam in Dix River, the spillway floor of which will not be higher than 750 feet above sea level, being the same property conveyed to Kentucky Hydro Electric Company by deed dated October 10, 1923, and recorded in Deed Book 52, page 300, in the office of the Clerk of the County Court of Boyle County, Kentucky.

ley on Dix River which may be submerged by reason of the erection and maintenance of a dam in Dix River, the spillway floor of which will not be higher than 750 feet above sea level, being the same property conveyed to Kentucky Hydro Electric Company by deed from Mary I. Bradley and others, dated December 27, 1923, and recorded in Deed Book 52, page 416, in the office of the Clerk of the County Court of Boyle County, Kentucky.

ITEM No. 29: All of the land formerly owned by Floyd Wilson lying below a line 750 feet above sea level and the low water mark of Dix River, and being along Dix River and beginning at the line of the lands of Thomas Bradley (now property of Dix River Power Company), and extending down the river to the point where the line of Bradley and Dix River Power Company comes to the river lower down, about 326 poles, running down along the river, being the same property conveyed to Dix River Power Company by Floyd Wilson by deed dated September 20, 1921, and recorded in Deed Book 49, page 600, in the office of the Clerk of Boyle County Court.

ITEM No. 30: All the lands below a line 750 feet above sea level which formerly belonged to Stephen Davis and Phoebe Davis and are situate on the waters of Dix River, beginning at the line of Jennie Gay Curtis, etc. (formerly N. K. Tumb), and running down Dix River to the line of the property of Dix River Power Company (formerly Walter Rice) about 960 feet, being the same property conveyed to Dix River Power Company by Phoebe Davis by deed dated June 7, 1922, and recorded in Deed Book 50, page 550, in the office of the Clerk of Boyle County Court.

ITEM No. 31: All the lands below a line 750 feet above sea level which formerly belonged to the children of J. M. McCallie and are situate on the waters of Dix River in Boyle County, Kentucky, beginning at the line of B. F. King on Dix River, and extending down Dix River to the lines of Dock Boggs and Stephen Davis on said river, being the same property conveyed to Dix River Power Company by Jennie Gay Curtis, et. al., by deed dated April 26, 1922, and recorded in Deed Book 50,

page 520, in the office of the Clerk of Boyle County Court.

ITEM No. 32: Being all the land situate between the center of the Lexington and Danville turnpike road and Dix River, beginning at line of James Boner, colored, and extending eastwardly with the center of the said pike to the line of Jerry Ingram, colored, thence with the line of Ingram, leaving the pike, to low water mark of Dix River, thence up Dix River with its meanders at low water mark, to the line of James Boner; thence with his line leaving the river and running to the place of beginning.

There is excepted from the foregoing parcel an easement to be conveyed by Kentucky Hydro Electric Company to the State Highway Department of the Commonwealth of Kentucky, which easement will be defined in said conveyance in substantially the following language, to-wit:

"The right and easement to maintain a highway and highway bridge across Dix River extending from Boyle County at a point on the Danville & Lexington Turnpike near the residence of Ben F. King to the boundary line between Boyle and Garrard Counties, and the right to maintain all necessary highways, bridge piers, approaches and appurtenances. This easement shall extend over a strip of land running up and down Dix River in Boyle County for a distance of 300 feet, the center line of which strip is shown by the map filed with viewers' report in the proceedings in the Boyle County Court for the alteration of public roads and bridge, the judgment altering said roads and bridge being recorded in Order Book No. 14 at page 176 of the Boyle County Court; the center line of said proposed highway and bridge is the center line of said strip, and its width is determined by measuring at right angles 150 feet on each side of said center line, and said strip extends from the present Danville & Lexington Turnpike eastwardly to the boundary line in Dix River between Boyle and Garrard Counties."

ITEM No. 33: All the land lying between a line 750 feet above sea level and low water mark of Dix River,

beginning at line of James Warford and extending down Dix River to a line of J. M. McCallie and others. The foregoing two parcels are the same property conveyed to Dix River Power Company by B. F. King, et. al., by deed dated October 14, 1921, and recorded in Deed Book 49, page 631, in the office of the Clerk of Boyle County Court.

ITEM No. 34: Beginning at a point in the center of a stone fence, in the line of B. F. King and James Warford, about thirty-five feet South of an old graveyard on the land of B. F. King, thence N. 69 E. 600 feet to a point in the edge of the farm road; thence N. 70½ degrees E. 400 feet to a stake two feet East of a double sapling in the edge of uncleared land; thence along a steep hillside and through uncleared land N. 67 degrees 40 min. E. 393 feet to a stake in the line of Mary L. King; thence with said line down a steep cliff S. 8 degrees E. 180 feet to the center of the Danville and Lexington Turnpike road; thence with the center of same S. 75 degrees W. 554 feet to a point in the center of same; thence S. 70¾ W. 838 feet to a point in the center of same; thence leaving the turnpike N. 2 degrees 20 min. W. 96 feet to the beginning, and containing three and eighty hundredths (3.80) acres.

ITEM No. 35: All the lands formerly owned by James Warford that lie below a line 750 feet above sea level on Dix River, and beginning at line of the property of Mary L. King estate, formerly A. C. King, and running down Dix River with its meanders to the line of the lands of Ben. F. King. The foregoing two parcels are the same property conveyed to Dix River Power Company by James Warford, et. al., by deed dated September 12, 1922, and recorded in Deed Book 50, page 613, in the office of the Clerk of Boyle County Court.

ITEM No. 36: All of the lands formerly owned by Janet K. Shreve, on Dix River, in Boyle County and Garrard County, Kentucky, which lie below a line 750 feet above sea level, and beginning upstream at the line of the lands bought by Dix River Power Company from Jerry Ingram and James Warford (on the Boyle County side

of said stream) and line of lands of David Thomas (on the Garrard County side) and running down said stream, with its meanders, to the line of the lands of Dix River Power Company purchased from James Warford (on Boyle County side) and to line of lands of Dix River Power Company purchased from Aaron H. Smith (on Garrard County side), being the same property conveyed to Dix River Power Company by Janet K. Shreve, a widow, by deed dated October 28, 1922, and recorded in Deed Book 51, page 636, in the office of the Clerk of Boyle County Court.

ITEM No. 37: Beginning at a stake in the South side of the Danville and Lexington Turnpike road, which stake is situated 2 and 40/100 poles N. 67¾ E. from A. Cohen's West line (and old call); thence S. 22¾ E. 13.28 poles to a stone; thence N. 61 E. 18.36 poles to a sugar tree; thence N. 21 W. 11.16 poles to a stone in the South side of said Turnpike; thence S. 67¾ W. 18.23 poles to the beginning, containing 1.39 acres.

ITEM No. 38: Adjoining First Parcel next above described, and beginning at a point in the Danville and Lexington Turnpike road, corner to the lands of Mrs. A. C. King; running thence in a Southerly direction with her line across the river to where the cliff makes a fence; thence with said cliff where it makes a fence to a point thereon Westerly opposite Peter Floyd's (old call) Southwest corner; thence a straight line to said Peter Floyd's Southwest corner; thence with his line to his Southeast corner; thence with this line Northerly to the said turnpike; thence with said turnpike to the beginning, and containing 3 acres, more or less. The tract herein referred to as the "Peter Floyd" land is parcel described above. The foregoing two parcels are the same property conveyed to Dix River Power Company by Jerry Ingram, et. al., by deed dated August 1, 1922, and recorded in Deed Book 50, page 534, in the office of the Clerk of Boyle County Court.

ITEM No. 39: All of the lands formerly owned by James Boner on Dix River which lie below a line 750 feet above sea level and beginning at line of lands of N. W. May and running down said river to line of lands

of B. F. King, being the same property conveyed to Dix River Power Company by James Boner, et. al., by deed dated January 26, 1922, and recorded in Deed Book 50, page 228, in the office of the Clerk of Boyle County Court.

ITEM No. 40: Beginning at low water mark of Dix River and running thence in a Northerly direction a distance of about 65 yards to the low wall of the cliff, thence with the low wall of the cliff in a Westerly direction, a distance of about 250 yards to a point, thence in a Northerly direction up a ledge about 65 yards to a point in the line of Joseph Clark, thence in a Westerly direction with said Clark's line to the line of Nelson W. May, thence in a Southerly direction with said May's line a distance of about 150 yards to the said Dix River, thence with said Dix River in an Easterly direction to the point of beginning, being the same property conveyed to Dix River Power Company by Reed Penman, et. al., by deed dated July 27, 1922, and recorded in Deed Book 50, page 537, in the office of the Clerk of Boyle County Court.

ITEM No. 41: All the land between a line 750 feet above sea level and low water mark of Dix River and beginning at the line of F. J. Clark and extending down Dix River to the line of Reed Penman about 2,000 feet, being the same property conveyed to Dix River Power Company by Nelson W. May, et. al., by deed dated September 24, 1921, and recorded in Deed Book 49, page 597, in the office of the Clerk of Boyle County Court.

ITEM No. 42: All of the lands formerly owned by F. J. Clark on Clark's Run and Dix River which lie below a line 750 feet above sea level and being in two parcels, one beginning on Clark's Run at line of lands of T. B. Bright (now Dix River Power Company); thence down Clark's Run to line of lands of the City of Danville water works system; and the other beginning on Dix River at line of lands of City of Danville water works system and running downstream to line of lands of N. W. May (now Dix River Power Company), being the same property conveyed to Dix River Power Company by F. J. Clark, et. al., by deed dated October 18,

1922, and recorded in Deed Book 51, page 21, in the office of the Clerk of Boyle County Court.

ITEM No. 43: Beginning at a stake and stones, this being 750 feet above mean sea level, and bears N. 43-15 W. 10 feet to a blazed six-inch cedar, also bears N. 32-30 E. 15 feet to a nail in an 8-inch cedar tree, then running with the line between T. B. Bright and S. J. Bowman, formerly Metzker, S. 23 $\frac{3}{4}$  E. 3/10 ch. to North margin of Clark's Run, thence down the creek with meles and bounds of T. B. Bright's lines, and with lines of John Trumbo and Samuel Shelton, to said Bridge's corner on South side of Clark's Run; thence crossing the creek N. 23 W. 1.05 ch. to stake and stones at elevation of 750 feet above sea level (the point bears N. 69 W. 8 feet to a 12-inch white oak, S. 62 W. 28 feet to a forked hackberry and S. 41 W. 17 feet to an 18-inch elm); this point is 45 feet from the North Margin of the creek; thence following 750 feet level line (contour) to the beginning, being the same property conveyed to Dix River Power Company by T. B. Bright, et. al., by deed dated October 18, 1921, and recorded in Deed Book 49, page 632, in the office of the Clerk of Boyle County Court.

ITEM No. 44: Situate in Boyle County, Kentucky, on Clark's Run and described thus: Beginning at cross on a large flat rock in the stream bed of Clark's Run; thence N 20 degrees 10' W. 76.7 feet to a stake; thence N 21 degrees 35' East 83.7 feet to a stone (15' East of a 24 inch cedar); thence N 88 W 238 feet to a cross on rock in Clark's Run; thence S 9 degrees 30' W 188 feet to a cross on shell rock under cliff of the West side of stream; thence S 61 degrees 15' E 185 feet to a cross on rock in stream bed; thence N 41 degrees 45' E 155 feet to the beginning, and containing 1.2 acres of land, more or less.

There is also included in this conveyance a small area of land outside of the above described boundary adjacent to and between it and a line 760 feet above sea level and which sea level line is on the side of the cliffs on West side of Clark's Run and which small strip does not exceed one-half of an acre in area.

The foregoing property is the same conveyed to Kentucky Hydro Electric Company by deed from Kate Bowman and S. J. Bowman, dated April 15, 1924, and recorded in Deed Book 52, page 549, in the office of the Clerk of the County Court of Boyle County, Kentucky.

Item No. 45: Being all of the lands formerly owned by John Trumbo lying on the waters of Clark's Run below a line 750 feet above sea level and running from the line of the lands of Stonewall J. Bowman on the West to the lands of Sam Shelton on the East and being that portion of the bed and banks of Clark's Run which is contiguous to the tract upon which said Trumbo now lives and which is below said 750 foot line above sea level, being the same property conveyed to Dix River Power Company by John Trumbo by deed dated October 28, 1921, and recorded in Deed Book 50, page 125, in the office of the Clerk of the County Court of Boyle County.

Item No. 46: All the lands between a line 750 feet above sea level and low water mark of Clark's Run and Dix River, beginning at a point in the line of John Trumbo, on Clark's Run 750 feet above sea level, and extending down said Run with the meanders of same to its mouth; thence continuing said line 750 feet above sea level up Dix River with the meanders thereof to the line of the lands of John R. Yeager, being the same property conveyed to Dix River Power Company by Samuel Shelton by deed dated September 20, 1921, and recorded in Deed Book 49, Page 595, in the office of the Clerk of Boyle County Court.

Item No. 47: All of the lands on Dix River in Boyle County, Kentucky, formerly owned by Carl McWaters and the other grantees in the deed from H. B. Hoeker and another dated May 19th, 1920, and recorded in Deed Book 50, page 433, in the office of the Clerk of the Boyle County Court, which may be submerged by reason of the erection and maintenance of a dam in Dix River, the spillway floor of which will not be higher than 750 feet above sea level, and which land lies at and immediately above the old dam of the Danville Water Works, extending along Dix River with the land of the

City of Danville, Kentucky, and with the line of the land of John R. Yeager above said 750 foot sea level line.

The property included in this tract is the same conveyed to Kentucky Hydro Electric Company by deed from Carl McWaters and others, dated November 7, 1923, and recorded in Deed Book 52, page 100, in the office of the Clerk of the County Court of Boyle County, Kentucky.

Item No. 48: All lands between a line 750 feet above sea level and low water mark of Dix River, beginning at a point in the line of Octavius Doram, below the new dam of the Danville Water Works, and extending down said River with its meanders, to the line of Samuel Shelton, below the old dam of the Danville Water Works, and being a part of the property conveyed to John R. Yeager by W. W. Yeager and wife by deed dated November 14, 1896, and recorded in Deed Book 25, page 80, in the office of the Clerk of Boyle County Court.

Less two tracts of land the first conveyed by W. W. Yeager to the City of Danville by deed dated June 23, 1894, recorded in Deed Book 23, page 551, Boyle County Court Clerk's office, described as "beginning at a point on Dix River where stone fence line between W. W. Yeager and Samuel Shelton joins said River, thence up same with its meanders N. 88½ E. 530 feet to a stake, thence N. 49¼ E. 725 feet to mouth of small branch." The second tract being conveyed to the Poreh House Club by John R. Yeager and wife, by deed dated July 1, 1906, recorded in Deed Book 32, page 100, in Boyle County Court Clerk's office, which is a limited fee in one acre, more or less, which begins at a point just opposite the old dam of the Danville Water Works and about 15 yards from said dam, being the same property conveyed to Dix River Power Company by John R. Yeager, et. al., by deed dated October 6, 1921, and recorded in Deed Book 49, page 602, in the office of the Clerk of Boyle County Court.

Item No. 49: All land lying below a line 750 feet above sea level and low water mark of Dix River, im-

mediately below the new (No. 2) dam of Danville Water Works, and beginning at the line of land of Henry Walker and extending down said river to the line of land of John R. Yeager, being the same property conveyed to Dix River Power Company by Octavius S. Doram, et. al., by deed dated October 13, 1921, and recorded in Deed Book 49, page 635 in the office of the Clerk of Boyle County Court.

ITEM No. 50: All of the lands formerly owned by Henry Walker on Dix River which lie below a line 750 feet above sea level and beginning at line of lands of William Trumbo and running down said stream with its meanders to the upper or new dam of the Danville Water Works system and the line of the lands of Octavius Doram, being the same property conveyed to Dix River Power Company by Henry Walker, a widower, by deed dated 28th day of January, 1922, and recorded in Deed Book 50, page 226, in the office of the Clerk of Boyle County Court.

ITEM No. 51: All of the lands formerly owned by William A. Trumbo on Dix River lying below a line 750 feet above sea level and beginning at line of lands of Will Hughes and wife, and running down Dix River to line of lands of Henry Walker, being the same property conveyed to Dix River Power Company by deed dated July 19th, 1922, by William A. Trumbo, et. al., and recorded in Deed Book 50, page 539, in the office of the Clerk of Boyle County Court.

ITEM No. 52: All of the lands formerly owned by William and Mattie Hughes and Martha Ann Rowe on Dix River in Boyle and Garrard Counties lying below a line 750 feet above sea level, and beginning at line of lands of Mary Ann Rowe and running down Dix River to line of lands of Will A. Trumbo, and including some land in Garrard County adjacent to the lands of J. A. Rice, being the same property conveyed to Dix River Power Company by William Hughes, et. al., by deed dated July 19th, 1922, and recorded in Deed Book 50, page 544, in the office of the Clerk of Boyle County Court.

ITEM No. 53: All of the lands formerly owned by Mary Ann J. Rowe, et. al., on Dix River which lie below a line 750 feet above sea level, and beginning at line of lands of George Ann Briscoe and running down Dix River to line of lands of William Hughes, being the same property conveyed to Dix River Power Company by Mary Ann J. Rowe, et. al., by deed dated July 21st, 1922, and recorded in Deed Book 50, page 611, in the office of the Clerk of Boyle County Court.

ITEM No. 54: All of the lands formerly owned by George Ann Briscoe in Boyle County, Kentucky, lying below a line 750 feet above sea level and beginning on line of lands of James I. Trumbo and running down Dix River to line of lands of Smith Rowe heirs, being the same property conveyed to Dix River Power Company by George Ann Briscoe, et. al., by deed dated July 19, 1922, and recorded in Deed Book 50, page 538, in the office of the Clerk of Boyle County Court.

ITEM No. 55: All of the lands formerly owned by James I. Trumbo in Boyle County, Kentucky, lying below a line 750 feet above sea level, on Dix River, and beginning at line of lands of J. A. Rice and Martha Ann Rowe and others and running down Dix River to the line of lands of George Ann Briscoe, being the same property conveyed to Dix River Power Company by James I. Trumbo, et. al., by deed dated July 19th, 1922, and recorded in Deed Book 50, page 540, in the office of the Clerk of Boyle County Court.

ITEM No. 56: All of the lands formerly owned by Martha Ann Rowe on Dix River, which lie below a line 750 feet above sea level and beginning at line of lands of Joe Doram and extending down stream to line of lands of James Trumbo, being the same property conveyed to Dix River Power Company by deed from Martha Ann Rowe, a widow, dated September 25, 1922, and recorded in Deed Book 51, page 38, in the office of the Clerk of Boyle County Court.

ITEM No. 57: All of the land formerly owned by Clarissa Custard, Allie Doram Owsley and Charles Doram on Dix River which may be submerged by reason

of the erection and maintenance of a dam in said River, the spillway floor of which will not be higher than 750 feet above sea level, and beginning at the line of the lands formerly owned by J. A. Rice and Pope Brothers and extending down stream to the line of the lands formerly owned by Martha Ann Rowe, and being the same property conveyed to Kentucky Hydro Electric Company by deed dated February 6, 1924, and recorded in Deed Book 52, page 392, in the office of the Clerk of the County Court of Boyle County, Kentucky.

ITEM No. 58: All of the lands formerly owned by Eugene W. Pope along Dix River which lie below a line 750 feet above sea level and extending from line of lands of H. McBeath and J. A. Rice, up the river, down to line of lands of Charles Doran and J. A. Rice, being the same property conveyed to Dix River Power Company by Eugene W. Pope, et. al., by deed dated July 19, 1922, and recorded in Deed Book 50, page 642, in the office of the Clerk of Boyle County Court.

ITEM No. 59: All of the lands formerly owned by Hannibal McBeath on Dix River which lie below a line 750 feet above sea level, and beginning at line of lands of J. Lee Murphy and running down Dix River to line of lands of Mrs. G. R. Pope, being the same property conveyed to Dix River Power Company by Hannibal McBeath, et. al., by deed dated December 24, 1921, and recorded in Deed Book 50, page 123, in the office of the Clerk of Boyle County Court.

ITEM No. 60: All the land between a line 750 feet above sea level and low water mark of Dix River, beginning at a point in the line of Hugh Wayne and A. J. Rice on Dix River 750 feet above sea level and continuing with said 750 feet line down said river to the line of H. McBeath, in all about a distance of 3000 feet, being the same property conveyed to Dix River Power Company by J. L. Murphy, et. al., by deed dated October 7th, 1921, and recorded in Deed Book 49, page 594, in the office of the Clerk of Boyle County Court.

ITEM No. 61: All of the lands formerly owned by Elihu Wayne on Dix River which lie below a line 750

feet above sea level, and beginning at the line of lands of John T. Anderson and running down Dix River to line of lands of J. Lee Murphy being the same property conveyed to Dix River Power Company by Elihu Wayne, et. al., by deed dated July 27th, 1922, and recorded in Deed Book 50, page 644, in the office of the Clerk of Boyle County Court.

ITEM No. 62: All of the lands formerly owned by John T. Anderson on Dix River in Boyle and Garrard Counties, Kentucky, which may be submerged by the erection and maintenance of a dam in Dix River, the spillway floor of which will be 750 feet above sea level, and beginning up stream at the Danville and Lancaster Turnpike road at or near the iron bridge across Dix River and running thence down stream to line of lands of Jonathan D. Rankin; and also beginning at line of lands of Jonathan D. Rankin; and also beginning at line of lands of Jonathan D. Rankin up stream and running down stream to line of lands of Elihu Wayne, being the same property conveyed to Dix River Power Company by John T. Anderson, a widower, by deed dated July 14, 1923, and recorded in Deed Book 51, page 610, in the office of the Clerk of Boyle County Court on July 30, 1923.

ITEM No. 63: Being in Boyle and Garrard Counties, Kentucky, beginning at the line of J. T. Anderson where two rock fences come to the river, thence up Dix River passing ford to the line of J. T. Anderson again, and including all the lands of Jonathan David Rankin which lie between the 750 feet line above sea level and the low water mark of Dix River, being the same property conveyed to Dix River Power Company by Jonathan David Rankin, et. al., by deed dated October 7th, 1921, and recorded in Deed Book 49, page 599, in the office of the Clerk of Boyle County Court.

ITEM No. 64: All of the lands formerly owned by T. English Dunn in Boyle County, Kentucky, on Dix River that may be submerged by the erection and maintenance of a dam in Dix River, near its mouth, the spillway floor of which will not be higher than 750 feet above sea level, and the land herein granted being in and around what is commonly known as the Frying Pan Bend of Dix River, being the same property conveyed to Dix

River Power Company by T. English Dunn, single, by deed dated May 30, 1923, and recorded in Deed Book 52, page 485, in the office of the Clerk of the Boyle County Court.

Item No. 65: All of the lands formerly owned by Benbin W. Gwinn, lying on Dix River which may be submerged by reason of the erection and maintenance of a dam in Dix River, the spillway floor of which will not be higher than 760 feet above sea level, which lands begin upstream at line of lands of said Gwinn in bed of Mook's or Harrod's creek near covered bridge at 760 feet sea level line as above defined and run down said creek to its mouth and thence down Dix River and up Hugueny Branch to line of lands of Mason brothers; being the same property conveyed to Kentucky Hydro Electric Company, by deed from Reubin W. Gwinn and wife dated January 31, 1928, and recorded in Deed Book 56, page 469, in the office aforesaid.

Item No. 66: All of the lands formerly owned by Grover C. Settles lying on Dix River which may be submerged by reason of the erection and maintenance of a dam in Dix River, the spillway floor of which will not be higher than 760 feet above sea level, which lands begin upstream at line of lands of Mrs. A. S. Haselden on Mook Creek and run down Mook Creek to mouth of Wilson run, thence up same to line of lands of John Y. Spears, being same property conveyed to Kentucky Hydro Electric Company by deed from Grover C. Settles and wife, dated November 26, 1927, and recorded in Deed Book 56, page 522, in the office aforesaid.

Item No. 67: All of the lands formerly owned by Mayme Haselden, lying on Dix River which may be submerged by reason of the erection and maintenance of a dam in Dix River, the spillway floor of which will not be higher than 760 feet above sea level, which lands begin upstream at line of lands of Kathryn Moore and run down Mook's Creek to line of lands of G. C. Settles, being same property conveyed to Kentucky Hydro Electric Company by deed from Mayme Haselden and husband dated December 2, 1927, and recorded in Deed Book 56, page 524, in the office aforesaid.

Item No. 68: All of the lands formerly owned by John Y. Spears, lying on Herrington Lake or Wilson's Run which may be submerged by reason of the erection and maintenance of a dam in Dix River, the spillway floor of which will not be higher than 760 feet above sea level which lands begin at line of lands of said Spears at said 760 foot sea level line in bed of Wilson's Run near line of lands of W. W. Johnson and run down Wilson's Run to line of lands of G. C. Settles and L. O. Harber, being same property conveyed to Kentucky Hydro Electric Company by deed from John Y. Spears and wife dated April 2, 1927, and recorded in Deed Book 56, page 121, in the office aforesaid.

Item No. 69: All of the lands formerly owned by L. O. Harber, lying on Herrington Lake or Wilson's Run, which may be submerged by reason of the erection and maintenance of a dam in Dix River, the spillway floor of which will not be higher than 760 feet above sea level, which lands begin upstream at line of lands of John Y. Spears, near old County Road and run down Wilson's Run to its mouth and down Mook's Creek to line of Weisiger estate, being same property conveyed to Kentucky Hydro Electric Company by deed from L. O. Harber and wife dated November 26, 1927, and recorded in Deed Book 56, page 391, in the office aforesaid.

Item No. 70: All of the lands formerly owned by Tilford Alexander, lying on Dix River, which may be submerged by reason of the erection and maintenance of a dam in Dix River, the spillway floor of which will not be higher than 760 feet above sea level, which lands begin upstream at line of lands of John C. Tibbs and run down Dix River to line of lands of M. G. Weisiger, being same property conveyed to Kentucky Hydro Electric Company by deed from Tilford Alexander and wife, dated November 26, 1927, and recorded in Deed Book 56, page 525, in the office aforesaid.

Item No. 71: All of the lands formerly owned by John C. Tibbs, lying in Dix River, which may be submerged by reason of the erection and maintenance of a dam in Dix River, the spillway floor of which will not be higher

than 760 feet above sea level, which lands begin upstream at line of lands of Margaret Davis and run down Dix River to line of lands of Tilford Alexander, being same property conveyed to Kentucky Hydro Electric Company by deed from Boyle Bank & Trust Company, Executor and Trustee under will of John C. Tibbs, dated October 12, 1927, and recorded in Deed Book 56, page 389, in the office aforesaid.

ITEM No. 72: All of the lands formerly owned by J. W. Walker, lying on Dix River, which may be submerged by reason of the erection and maintenance of a dam in Dix River, the spillway floor of which will not be higher than 760 feet above sea level, which lands begin upstream at line of lands of W. P. Rice and run down Dix River to line of lands of John Underwood, being same property conveyed to Kentucky Hydro Electric Company by deed from J. W. Walker and wife, dated October 17, 1927, and recorded in Deed Book 56, page 386, in the office aforesaid.

ITEM No. 73: All of the lands formerly owned by W. P. Rice, lying on Dix River, which may be submerged by reason of the erection and maintenance of a dam in Dix River, the spillway floor of which will not be higher than 760 feet above sea level, which lands begin upstream at line of lands of J. W. Walker and T. A. Bradley's heirs and run down Dix River to line of lands of John D. Jackson and J. W. Walker, being same property conveyed to Kentucky Hydro Electric Company by deed from W. P. Rice, dated October 12, 1927, and recorded in Deed Book 56, page 392, in the office aforesaid.

ITEM No. 74: All of the lands formerly owned by James Warford, lying on Dix River, which may be submerged by reason of the erection and maintenance of a dam in Dix River, the spillway floor of which will not be higher than 760 feet above sea level, which lands begin upstream at line of lands formerly owned by B. F. King and run down Dix River to line of lands of Janet K. Shreve, and the second tract of which lands begins at line of said Shreve and runs down Dix River to line of lands of B. F. King, being the same property conveyed to Kentucky Hydro Electric Company, by deed from

James Warford and wife, dated November 26, 1927, and recorded in Deed Book 56, page 407, in the office aforesaid.

ITEM No. 75: All of the lands formerly owned by James Boner, lying on Dix River, which may be submerged by reason of the erection and maintenance of a dam in Dix River, the spillway floor of which will not be higher than 760 feet above sea level, which lands begin upstream at line of lands of N. W. May, and run down Dix River to line of lands of Samuel E. Frazee, being same property conveyed to Kentucky Hydro Electric Company by deed from James Boner, dated October 19, 1927, and recorded in Deed Book 56, page 384, in the office aforesaid.

ITEM No. 76: All of the lands formerly owned by Nelson W. May, lying on Dix River, which may be submerged by reason of the erection and maintenance of a dam in Dix River, the spillway floor of which will not be higher than 760 feet above sea level, which lands begin upstream at line of lands of F. J. Clark, and run down Dix River to line of lands of James Boner, being same property conveyed to Kentucky Hydro Electric Company, by deed from Nelson W. May and wife dated October 11, 1927, and recorded in Deed Book 56 page 385 in the office aforesaid.

ITEM No. 77: All of the lands formerly owned by F. J. Clark, lying on Herrington Lake, or Clark's Run, which may be submerged by reason of the erection and maintenance of a dam in Dix River, the spillway floor of which will not be higher than 760 feet above sea level, which lands begin on Clark's Run upstream to line of lands of T. B. Bright, thence down to line of Danville Water Works and from Water Works down Dix River to line of lands of Nelson W. May, being same property conveyed to Kentucky Hydro Electric Company, by deed from F. J. Clark and wife, dated January 7, 1928, and recorded in Deed Book 56 page 425, in the office aforesaid.

ITEM No. 78: All of the lands formerly owned by T. B. Bright, lying on Herrington Lake and Clark's Run,

which may be submerged by reason of the erection and maintenance of a dam in Dix River, the spillway floor of which will not be higher than 760 feet above sea level, which lands begin upstream at line of lands of S. J. Bowman and run down Clark's Run to line of lands of F. J. Clark, being same property conveyed to Kentucky Hydro Electric Company, by deed from T. B. Bright, dated October 12, 1927 and recorded in Deed Book 56 page 390 in the office aforesaid.

**Item No. 79:** All of the lands formerly owned by Louis Campbell, lying on Herrington Lake or Clark's Run, which may be submerged by reason of the erection and maintenance of a dam in Dix River, the spillway floor of which will not be higher than 760 feet above sea level, which lands begin upstream at line of lands of John Trumbo, on Clark's Run and run down Clark's Run to Dix River and up Dix River to line of lands of John R. Yeager, being same property conveyed to Kentucky Hydro Electric Company by deed from Louis Campbell and wife dated October 17, 1927, and recorded in Deed Book 56 page 387, in the office aforesaid.

**Item No. 80:** All of the lands formerly owned by Octavius S. Doram, lying on Dix River, which may be submerged by reason of the erection and maintenance of a dam in Dix River, the spillway floor of which will not be higher than 760 feet above sea level, which lands begin upstream at line of lands of Henry C. Walker and run down Dix River to line of lands of John R. Yeager, being same property conveyed to Kentucky Hydro Electric Company by deed from Octavius S. Doram and wife, dated January 30, 1928, and recorded in Deed Book 56 page 468, in the office aforesaid.

**Item No. 81:** All of the lands formerly owned by Henry C. Walker, lying on Dix River, which may be submerged by reason of the erection and maintenance of a dam in Dix River, the spillway floor of which will not be higher than 760 feet above sea level, which lands begin upstream at line of lands of Will Trumbo, and run down Dix River to line of lands of Octavius S. Doram, including any land on opposite side of Herrington Lake in Garrard County owned by said Walker next

to lands of Pence and J. A. Rice, which may be submerged by said described dam, being same property conveyed to Kentucky Hydro Electric Company by deed from Henry C. Walker, dated December 31, 1927, and recorded in Deed Book 56 page 426, in the office aforesaid.

**Item No. 82:** All of the lands formerly owned by William A. Trumbo, lying on Dix River, which will be submerged by reason of the erection and maintenance of a dam in Dix River, the spillway floor of which will not be higher than 760 feet above sea level, which lands begin upstream at line of land of William Hughes, and run down Dix River to line of lands of Henry C. Walker, being same property conveyed to Kentucky Hydro Electric Company by deed from William A. Trumbo and wife dated February 11, 1928, and recorded in Deed Book 56, page 535, in the office aforesaid.

**Item No. 83:** All of the lands formerly owned by William Hughes, lying on Dix River in Boyle and Garrard Counties, which may be submerged by reason of the erection and maintenance of a dam in Dix River, the spillway floor of which will not be higher than 760 feet above sea level, which lands begin upstream at line of land of Mary Ann Rowe, and run down Dix River to line of lands of William Trumbo, and include any land on Garrard County bank of Dix River, which may be so submerged being same property conveyed to Kentucky Hydro Electric Company by deed from William Hughes and wife dated December 31, 1927, and recorded in Deed Book 56 page 427, in the office aforesaid.

**Item No. 84:** All of the lands formerly owned by Larkin Briscoe, lying on Dix River, which may be submerged by reason of the erection and maintenance of a dam in Dix River, the spillway floor of which will not be higher than 760 feet above sea level, which lands begin upstream at line of lands of James I. Trumbo and run down Dix River to line of lands of Smith Rowe's heirs, being same property conveyed to Kentucky Hydro Electric Company by deed from Georgie Ann Briscoe and the other heirs of Larkin Briscoe, dated February 11, 1928, recorded in Deed Book 56 page 534 in the office aforesaid.

Item No. 85: All of the lands formerly owned by James Trumbo, lying on Dix River, which may be submerged by reason of the erection and maintenance of a dam in Dix River, the spillway floor of which will not be higher than 760 feet above sea level, which lands belong upstream at line of lands of J. A. Rice and Mary Ann Rowe and others and run down Dix River to line of lands of George Ann Brisco, being same property conveyed to Kentucky Hydro Electric Company by deed from James Trumbo and wife dated February 11, 1928 and recorded in Deed Book 56 page 526 in the office aforesaid.

Item No. 86: All of the lands formerly owned by Elihu Wayne, lying on Dix River, which may be submerged by reason of the erection and maintenance of a dam in Dix River, the spillway floor of which will not be higher than 760 feet above sea level, which lands begin upstream at line of lands of J. T. Anderson and run down Dix River to line of lands of J. Lee Murphy and J. A. Rice, being same property conveyed to Kentucky Hydro Electric Company by deed from Elihu Wayne and wife dated October 12, 1927, and recorded in Deed Book 56 page 405 in the office aforesaid.

Item No. 87: All of the lands formerly owned by John T. Anderson lying on Dix River in Boyle and Garrard Counties, which may be submerged by reason of the erection and maintenance of a dam in Dix River, the spillway floor of which will not be higher than 760 feet above sea level, which lands begin upstream at line of lands of J. G. Foster and Bright Herring, and run down Dix River to line of land of J. D. Rankin and another tract begins upstream at line of J. D. Rankin and runs down Dix River to line of lands of Elihu Wayne, being same property conveyed to Kentucky Hydro Electric Company by deed from John T. Anderson, dated October 13, 1927, and recorded in Deed Book 56 page 439 in the office aforesaid, and also recorded in Deed Book 46 page 347 in the office of the Garrard County Clerk.

Item No. 88: All of the lands formerly owned by A. G. Rankin lying on Dix River, which may be submerged by reason of the erection and maintenance of a dam in Dix

River, the spillway floor of which will not be higher than 760 feet above sea level, which lands begin upstream at the elevation of water raised by the Dam above described and runs down Dix River to line of lands of John G. Foster, being same property conveyed to Kentucky Hydro Electric Company by deed from A. G. Rankin and wife dated October 17, 1927, and recorded in Deed Book 56 page 383 in the office aforesaid.

Item No. 89: All of the lands formerly owned by John G. Foster, lying on Dix River, which may be submerged by reason of the erection and maintenance of a Dam in Dix River, the spillway floor of which will not be higher than 760 feet above sea level, which lands begin upstream at line of lands of A. G. Rankin and run down Dix River to line of lands of Danville and Lancaster Turnpike, being same property conveyed to Kentucky Hydro Electric Company by deed from J. G. Foster and wife dated March 27, 1928, and recorded in Deed Book 56 page 680, in the office aforesaid.

Item No. 90: All of the lands formerly owned by John H. Rowe, lying on Dix River, which may be submerged by reason of the erection and maintenance of a dam in Dix River, the spillway floor of which will not be higher than 760 feet above sea level, which lands begin upstream at line of lands of George Ann Brisco, and run down Dix River to line of lands of William and Matie Hughes, being same property conveyed to Kentucky Hydro Electric Company by deed from Mary Ann Rowe and the other heirs of John H. Rowe, dated February 9, 1928, and recorded in Deed Book 56 page 562, in the office aforesaid.

Item No. 91: All of the lands formerly owned by W. T. Jones, lying on Herrington Lake or Barbee's Branch, which may be submerged by reason of the erection and maintenance of a dam in Dix River, the spillway floor of which will not be higher than 760 feet above sea level, which lands begin upstream at line of lands of Meredith Payne and run down Barbee's Branch to line of lands of Clifford and Robert Jones, being same property conveyed to Kentucky Hydro Electric Company by deed from W. T. Jones, dated April 9, 1928, and recorded in Deed Book 57, page 19, in the office aforesaid.

**Item No. 92:** All of the lands formerly owned by Huston Finley, lying on Herrington Lake or Barbee's Branch, which may be submerged by reason of the erection and maintenance of a dam in Dix River, the spillway floor of which will not be higher than 760 feet above sea level, which lands begin upstream at line of Danville and Lexington Pike, thence down Barbee's Branch on both sides to line of lands of Charles Jones estate; also another tract begins at line of Charles Jones estate and runs down said Branch to line of John Underwood, being same property conveyed to Kentucky Hydro Electric Company by Huston Finley and wife by deed dated March 13, 1928 and recorded in Deed Book 56, page 561 in the office aforesaid.

**Item No. 93:** All of the lands formerly owned by Fannie H. Evans, lying on Herrington Lake or Mock's Creek which may be submerged by reason of the erection and maintenance of a dam in Dix River, the spillway floor of which will not be higher than 760 feet above sea level, which lands begin upstream at line of Danville and Shakertown Pike, and run down Mock's Creek to line of lands of Kathryn H. Moore being same property conveyed to Kentucky Hydro Electric Company by deed from Fannie H. Evans and husband dated March 19, 1928 and recorded in Deed Book 56 page 586, in the office aforesaid.

**Item No. 94:** All of the lands formerly owned by Kathryn Moore lying on Herrington Lake or Mock's Creek, which may be submerged by reason of the erection and maintenance of a dam in Dix River, the spillway floor of which will not be higher than 760 feet above sea level, which lands begin upstream at line of lands of Fannie H. Evans and run down Mock's Creek to line of lands of Mayme Haselden, being same property conveyed to Kentucky Hydro Electric Company by deed from Kathryn H. Moore dated March 19, 1928, and recorded in Deed Book 57 page 2 in the office aforesaid.

**Item No. 95:** All of the lands formerly owned by Fannie Davis, lying on Dix River, which may be submerged by reason of the erection and maintenance of a dam in Dix River, the spillway floor of which will not be

higher than 760 feet above sea level, which lands begin upstream at line of lands of McCallie estate and run down Dix River, to line of land of John W. Walker and others being the same property conveyed to Kentucky Hydro Electric Company by deed from Fannie Davis, dated March 26, 1928 and recorded in Deed Book 56 page 577 in the office aforesaid.

**Item No. 96:** All of the lands formerly owned by Oliver Craig lying on Dix River which may be submerged by reason of the erection and maintenance of a dam in Dix River, the spillway floor of which will not be higher than 760 feet above sea level, which lands begin upstream at line of lands of Samuel E. Frazee and run down Dix River to line of lands of Sam Skidmore, being same property conveyed to Kentucky Hydro Electric Company by deed from Oliver Craig and wife dated March 22, 1928 and recorded in Deed Book 56 page 579, in the office aforesaid.

**Item No. 97:** All of the lands formerly owned by Samuel E. Frazee lying on Dix River which may be submerged by reason of the erection and maintenance of a dam in Dix River, the spillway floor of which will not be higher than 760 feet above sea level, which lands begin upstream at line of lands of James Boner and run down Dix River to line of lands of Oliver Craig, being same property conveyed to Kentucky Hydro Electric Company by deed dated March 22, 1928, and recorded in Deed Book 56 page 584, in the office aforesaid.

**Item No. 98:** All of the lands formerly owned by Sam Skidmore lying on Dix River which may be submerged by reason of the erection and maintenance of a dam in Dix River, the spillway floor of which will not be higher than 760 feet above sea level, which lands begin upstream at line of lands of Oliver Craig and run down Dix River to line of lands of Walker and others, being same property conveyed to Kentucky Hydro Electric Company by deed from Sam Skidmore and wife, dated March 22, 1928, and recorded in Deed Book 57 page 16 in the office aforesaid.

**Item No. 99:** All of the lands formerly owned by Robert Jones and Clifford Jones lying on Herrington

Lake or Barbee Branch which may be submerged by reason of the erection and maintenance of a dam in Dix River, the spillway floor of which will not be higher than 760 feet above sea level, which lands begin upstream at line of lands of W. T. Jones and Huston Finley and run down Barbee Branch to line of lands of Kentucky Hydro Electric Company, being same property conveyed to Kentucky Hydro Electric Company by deed from Robert Jones and wife and Clifford Jones, dated April 9, 1928, and recorded in Deed Book 57, page 37, in the office aforesaid.

All of the real estate conveyed by the foregoing items numbered respectively 1, 2, 3, 4, 8, 11, 14, 15, 16, 17, 19, 20, 22, 23, 25, 26, 27, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 45, 46, 48, 49, 50, 51, 52, 53, 54, 55, 56, 58, 59, 60, 61, 62, 63 and 64 of this deed was conveyed to Kentucky Hydro Electric Company by deed from Dix River Power Company, dated January 9, 1924, and recorded in Deed Book 52, page 552, in the office of the Clerk aforesaid.

Item No. 100: All of the land formerly owned by T. English Dunn on what is known as Dunn's Island and formerly known as Frying Pan Bend in Dix River which may be submerged by reason of the erection and maintenance of a dam in Dix River, the spillway floor of which will not be higher than 760 feet above sea level, being the same property conveyed to Kentucky Hydro Electric Company by deed from T. English Dunn, dated December 10, 1928, and recorded in Deed Book 57, page 461, in the office aforesaid.

Item No. 101: All of the lands formerly owned by Chas. Doram and Allie D. Owsley, lying on Dix River, which may be submerged by reason of the erection and maintenance of a dam in Dix River, the spillway floor of which will not be higher than 760 feet above sea level, which lands begin upstream at line of lands of Pops Brothers and run down Dix River to line of lands of estate of Martha Ann Rowe, being the same property conveyed to Kentucky Hydro Electric Company by deed from said Doram and Owsley, dated November 5, 1928, and recorded in Deed Book 57, page 388, in the office aforesaid.

Item No. 102: All of the lands formerly owned by B. F. King, lying on Dix River which may be submerged by reason of the erection and maintenance of a dam in Dix River, the spillway floor of which will not be higher than 760 feet above sea level, which lands begin upstream at line of lands of James Warford and run down Dix River to line of lands of Jennie Curtis and others, being the same property conveyed to Kentucky Hydro Electric Company by deed from said King and wife, dated May 16, 1928, and recorded in Deed Book 57, page 88, in the office aforesaid.

Item No. 103: All of the lands formerly owned by John Trumbo, lying on Herrington Lake or Clark's Run, which may be submerged by reason of the erection and maintenance of a dam in Dix River, the spillway floor of which will not be higher than 760 feet above sea level, which lands begin upstream at line of lands of Andrew Pope and S. J. Bowman and run down Clark's Run to line of lands of Lewis Campbell, being the same property conveyed to Kentucky Hydro Electric Company by deed from John Trumbo and wife, dated May 11, 1928, and recorded in Deed Book 57, page 84, in the office aforesaid.

Item No. 104: All of the lands formerly owned by John D. Jackson, lying on Dix River, which may be submerged by reason of the erection and maintenance of a dam in Dix River, the spillway floor of which will not be higher than 760 feet above sea level, which lands begin upstream at line of lands of W. P. Rice Estate and run down Dix River to line of lands of Frances Bradley and others, being the same property conveyed to Kentucky Hydro Electric Company by deed from said Jackson and wife dated May 21, 1928, and recorded in Deed Book 57, page 85, in the office aforesaid.

Item No. 105: All of the lands formerly owned by Jonathan D. Rankin, lying on Dix River which may be submerged by reason of the erection and maintenance of a dam in Dix River, the spillway floor of which will not be higher than 760 feet above sea level, which lands begin upstream at line of lands of John T. Anderson and run down Dix River to line of lands of John T. Anderson,

being the same property conveyed to Kentucky Hydro Electric Company by deed from said Rankin and wife, dated May 21, 1928, and recorded in deed Book 57, page 117, in the office aforesaid.

Item No. 106: An easement, being the right to impound water upon all of the lands formerly owned by Thompson Chimn, lying on Herrington Lake or Barbee's Branch which may be submerged by reason of the erection and maintenance of a dam in Dix River, the spillway floor of which will not be higher than 760 feet above sea level, which lands begin upstream at line of lands of Phil McMillan and run down Barbee's Branch to line of Danville and Lexington Turnpike, being the same property conveyed to Kentucky Hydro Electric Company by deed from said Chimn and wife, dated May 5, 1928, and recorded in Deed Book 57, page 86, in the office aforesaid.

Item No. 107: All of the lands formerly owned by S. H. Nichols as Trustee, lying on Dix River which may be submerged by reason of the erection and maintenance of a dam in Dix River, the spillway floor of which will not be higher than 760 feet above sea level, which lands begin upstream at line of lands of Frances Bradley and others and run down Dix River to line of lands of Frances Bradley and others, being the same property conveyed to Kentucky Hydro Electric Company by deed from said Nichols as Trustee, dated May 21, 1928, and recorded in Deed Book 57, page 87, in the office aforesaid.

Item No. 108: All of the lands formerly owned by John R. Yeager, lying on Dix River, which may be submerged by reason of the erection and maintenance of a dam in Dix River, the spillway floor of which will not be higher than 760 feet above sea level, which lands begin upstream at line of lands of Octavius Doram and run down Dix River to line of lands of Louis Campbell, being the same property conveyed to Kentucky Hydro Electric Company by deed from said Yeager and wife, dated October 3, 1928, and recorded in Deed Book 57, page 326, in the office aforesaid.

Item No. 109: All of the lands formerly owned by Mary I. Bradley and others, lying on Dix River, which may be submerged by reason of the erection and maintenance of a dam in Dix River, the spillway floor of which will not be higher than 760 feet above sea level, which lands begin upstream at line of lands of John D. Jackson and run down Dix River to the line of Sam Nichols, Trustee, and begin again at the line of Sam Nichols, Trustee, and run down Dix River to land formerly owned by W. P. Rice, being the same property conveyed to Kentucky Hydro Electric Company by deed from Mary I. Bradley and others, dated May 25, 1928, and recorded in Deed Book 57, page 389, in the office aforesaid.

Item No. 110: All of the lands formerly owned by Silas Mason, Sam A. Mason and H. P. Mason, Jr., lying on Dix River, which may be submerged by reason of the erection and maintenance of a dam in Dix River, the spillway floor of which will not be higher than 760 feet above sea level, which lands begin upstream at line of lands of R. W. Gwinn and run down Dix River to line of lands of Vic Rice, being the same property conveyed to Kentucky Hydro Electric Company by deed from said Silas Mason and others, dated May 26, 1928, and recorded in Deed Book 57, page 253, in the office aforesaid.

Item No. 111: All of the lands formerly owned by John R. Bright, lying on Dix River, which may be submerged by reason of the erection and maintenance of a dam in Dix River, the spillway floor of which will not be higher than 760 feet above sea level, which lands begin upstream at line of lands of J. Lee Murphy and run down Dix River to line of lands of Pope Brothers, being the same property conveyed to Kentucky Hydro Electric Company by deed from said Bright and wife, dated August 10, 1928, and recorded in Deed Book 57, page 252, in the office aforesaid.

Item No. 112: All of the lands formerly owned by J. Lee Murphy, lying on Dix River, which may be submerged by reason of the erection and maintenance of a dam in Dix River, the spillway floor of which will not be higher than 760 feet above sea level, which lands begin upstream at line of lands of Hugh Wayne and J. A. Rice

and run down Dix River to line of lands of J. R. Bright, being the same property conveyed to Kentucky Hydro Electric Company by deed from said Murphy and wife, dated August 10, 1928, and recorded in Deed Book 57, page 263, in the office aforesaid.

IRAM No. 113: All of the lands formerly owned by Samuel B. Pope and Geo. L. Pope, lying on Dix River, which may be submerged by reason of the erection and maintenance of a dam in Dix River, the spillway floor of which will not be higher than 760 feet above sea level, which lands began upstream at line of lands of John R. Bright and A. J. Rice and run down Dix River to line of lands of Doram and Rice, being the same property conveyed to Kentucky Hydro Electric Company by deed from said Pope and others, dated August 10, 1928, and recorded in Deed Book 57, page 219, in the office aforesaid.

IRAM No. 114: All of the lands formerly owned by the heirs of J. M. McCallie, lying on Dix River which may be submerged by reason of the erection and maintenance of a dam in Dix River, the spillway floor of which will not be higher than 760 feet above sea level, which lands begin upstream at line of lands of B. F. King and run down Dix River to line of lands of the heirs of Steve Davis, being the same property conveyed to Kentucky Hydro Electric Company by deed from Jennie Gay Curtis and others, dated June 26, 1928, and recorded in Deed Book 57, page 270, in the office aforesaid.

IRAM No. 115: All of the lands formerly owned by Edwin P. Curry, lying on Herrington Lake or Barbees Branch, which may be submerged by reason of the erection and maintenance of a dam in Dix River, the spillway floor of which will not be higher than 760 feet above sea level, which lands began upstream at line of 760 foot sea level elevation and run down Barbees Branch to line of lands formerly owned by Susan Penman, being the same property conveyed to Kentucky Hydro Electric Company by deed from Edwin P. Curry and wife, dated September 7, 1928, and recorded in Deed Book 57, page 269, in the office aforesaid.

Stacy: The real estate situated in Garrard County, Kentucky, and described as follows:

IRAM No. 1: Beginning at a point 5 feet E. of a hickory marked with three hacks and 12 feet N. of middle of a clump of three elms standing at edge of clearing on top of east cliff of Dix River, a new corner to J. I. Hamilton, thence new lines to said Hamilton N. 4 $\frac{1}{2}$  W. 238 feet; N. 21 E. 422 feet to a point near edge of clearing (a beech 20 inches in diameter marked with three hacks on S. E. side bear N. 48 $\frac{1}{2}$  W. 13 feet); thence N. 9 $\frac{1}{2}$  E. 544 feet to a black locust 6 inches in diameter marked with hacks on either side; N. 2 $\frac{1}{2}$  W. passing a cedar 4 inches in diameter fore and aft at 273 feet and passing another cedar fore and aft at 350 feet, in all 447 feet to a stake in a pile of stones on the top of sheer cliff on the South side of a deep drain; thence (by triangulation) N. 56 $\frac{1}{2}$  W. 525 feet to the middle of Dix River at a point opposite the mouth of before mentioned drain; thence up Dix River S. 10 $\frac{1}{2}$  E. 238 feet; S. 3 $\frac{1}{4}$  W. 825 feet; S. 34 W. 792 feet; S. 50 W. 412 feet to a point in middle of River and at the mouth of Rocky Fork Branch; thence up Rocky Fork S. 51 $\frac{1}{2}$  E. 176 feet; S. 22 $\frac{1}{2}$  E. 396 feet to the point in branch and at turn of same (a box elder growing nearly horizontally from the North bank bears 2 feet North); thence N. 74 $\frac{1}{4}$  E. passing corner to William Brown and John Ison at 396 feet, still on same course leaving Rocky Fork and with Brown up cliff passing a marked cedar fore and aft 948 feet, in all 1080 feet to a point near edge of a clearing in line to said Brown and a new corner now made to James I. Hamilton; thence new line to same N. 48 $\frac{1}{2}$  W. 424 feet to the beginning, containing 31.13 acres, being the same property conveyed to Dix River Power Company by James I. Hamilton, et. al., by deed dated March 25, 1913, and recorded in Deed Book 30, page 111, in office of Clerk of Garrard County Court.

IRAM No. 2: Lying and being along the North side of Rocky Fork, beginning at the line of the land of Isaac Hamilton's estate on a small branch at a point 750 feet above sea level, thence down said branch to Rocky Fork and the line of John S. Ison, thence down Rocky Fork

with the line of said Ison to the line of land of Dix River Power Company purchased from James I. Hamilton, including all lands lying below 750 feet above sea level, being the same property conveyed to Dix River Power Company by Georgia Dunn by deed dated September 29, 1921, and recorded in Deed Book 41, page 253, in office of Clerk of Garrard County Court.

Item No. 3: All of the land formerly owned by Sallie Hamilton in Garrard County on Rocky Ford Branch, a tributary of Dix River, which may be submerged by reason of the erection and maintenance of a dam in Dix River, the spillway floor of which will not be higher than 750 feet above sea level, being the same property conveyed to Kentucky Hydro Electric Company by Sallie Hamilton and others, by deed dated November 27, 1923, and recorded in Deed Book 43, page 173, in the office of the Clerk of the County Court of Garrard County, Kentucky.

Item No. 4: All of the lands formerly owned by John S. and Elizabeth Ison on Dix River which lie below a line 750 feet above sea level, and beginning at line on Dix River next to and below line of W. H. Brown, thence down the river to the mouth of Rocky Fork, line of Dix River Power Company's tract purchased from J. I. Hamilton; thence up Rocky Fork with line of Georgia Dunn and line of Ike Hamilton's heirs, to a line 750 feet above sea level, being the same property conveyed to Dix River Power Company by John S. Ison, et. al., by deed dated August 29, 1922, and recorded in Deed Book 42, page 60, in the office of the Clerk of Garrard County Court.

Item No. 5: All of the land formerly owned by W. H. Brown on the North fork of Stillman's Branch and on Dix River in Garrard County, Kentucky, which will be submerged by the erection and maintenance of a dam in Dix River, the spillway floor of which will not be higher than 750 feet above sea level, being the same property conveyed to Kentucky Hydro Electric Company by deed from W. H. Brown and wife, dated February 29, 1924, and recorded in Deed Book 43, page 263, in the office

of the Clerk of the County Court of Garrard County, Kentucky.

Item No. 6: All that portion of lands formerly owned by W. H. Brown lying between the line of M. H. Johnson, formerly a part of the estate of C. J. Spillman, deceased, and the line of John S. Ison, and below 750 feet above sea level, the intention being to convey all right, title and interest to lands lying adjacent to and in the cliffs below the lands conveyed to W. H. Brown by G. R. Barnett and wife by deed of record in Garrard County Court Clerk's office, in deed Book 34, page 409, being the same property conveyed to Dix River Power Company by W. H. Brown, et. al., by deed dated September 29, 1921, and recorded in Deed Book 41, page 234, in the office of the Clerk of Garrard County Court.

Item No. 7: All of the land formerly owned by J. Harlan Smith and S. K. Falls on the South fork of Spillman's Branch in Garrard County, Kentucky, which may be submerged by reason of the erection and maintenance of a dam in Dix River, the spillway floor of which will not be higher than 750 feet above sea level, being the same property conveyed to Kentucky Hydro Electric Company by deed from J. Harlan Smith and wife and S. K. Falls and wife, dated February 13, 1924, and recorded in Deed Book 43, page 232, in the office of the Clerk of the County Court of Garrard County, Kentucky.

Item No. 8: All of the lands formerly owned by John R. Scott on Dix River in Garrard County which will be submerged by the erection and maintenance of a dam in Dix River, the spillway floor of which will not be higher than 750 feet above sea level, and generally described as beginning at the line of the land purchased by Dix River Power Company from Millie Ann Smith and extending down Dix River to the line of the land purchased by Dix River Power Company from William Brown, the tract herein conveyed being the same conveyed to Kentucky Hydro Electric Company by deed dated November 20, 1923, and recorded in Deed Book 42, page 637, in the office of the Clerk of Garrard County Court.

Item No. 9: All of the lands formerly owned by Millie Ann Smith, situate in Garrard County, Kentucky, which

lie between a line 750 feet above sea level and the low water mark of Dix River, and beginning at the line of water mark of Abe McMurtry and running down Dix River with its meanders, to the line of Burton and Thomas, formerly C. P. Currrens, being the same property conveyed to Dix River Power Company by Millie Ann Smith, et. al., by deed dated September 22, 1921, and recorded in Deed Book 41, page 265, in the office of the Clerk of the Garrard County Court.

ITEM No. 10: All the lands below a line 750 feet above sea level which formerly belonged to Abe McMurtry and others and are situate on the waters of Dix River, beginning at the line of Thomas McMurtry tract, now owned by Dix River Power Company, and running down the river to the line of the Millie Ann Smith tract, now owned by Dix River Power Company, being the same property conveyed to Dix River Power Company by Abe McMurtry, et. al., by deed dated May 27, 1922, and recorded in Deed Book 41, page 603, in the office of the Clerk of Garrard County Court.

ITEM No. 11: Beginning at a point on the West bank of Dix River, in original line; thence crossing the said River N. 25 E. 4.24 chains to a point in the old line; thence N. 50 W. 4 chains to a point near or at the place where stood a cedar on a point of the cliff, called for in the original survey; thence N. 15 E. 200 poles to a sugar tree on the North side of a cliff about 18 poles from low water mark at the end of a picket fence; thence East as called for in an old deed 32 poles to a buckeye; thence North 4 poles to low water mark of Dix River; thence up same as it meanders N. 76 E. 54 poles; thence S. 50 W. 16 poles; thence S. 10 W. 22 poles; thence S. 10 E. 26 poles; thence S. 27 W. 100 poles; thence along the West bank of Dix River S. 5 W. 26 poles; thence S. 22 E. 37 poles; thence S. 43 E. 32 poles to the beginning, containing 43.11 acres (including the right of way of the King's mill turnpike which runs through said land), being same lands as are now known as the Kennedy's Mill property, and being the same lands conveyed to Dix River Power Company by C. P. Kennedy and wife by deed dated June 28th, 1913, and recorded in Deed Book 30, page 280, in the office of the Clerk of Garrard County Court.

ITEM No. 12: A certain lot or parcel of land lying in Kingston on Dix River in Garrard County, Kentucky, and bounded as follows: Beginning at a stone in the road; thence up a small drain S. 70 E. 17.5 poles to a cedar near the road; thence with the road S. 34 W. 10.5 poles to a stone near the corner of the stable; thence North 81 W. 10 poles to a stone in the road; thence with the road N. 13 poles to the beginning, containing 164 square poles, and known as Lot No. 4, being the same property conveyed to Dix River Power Company by R. T. Wilds, et. al., by deed dated April 5, 1913, and recorded in Deed Book 31, page 305, in the office of the Clerk of Garrard County Court.

ITEM No. 13: All of the lands formerly owned by Daniel L. Huff, situate in Garrard County, Kentucky, which lie between a line 750 feet above sea level and the low water mark of Dix River, and beginning in the line of the land of Dix River Power Company (being same purchased by it from C. P. Kennedy) and extending down said river, with its meanders, to line of the lands of Abe McMurtry, being the same property conveyed to Dix River Power Company by Daniel L. Huff, et. al., by deed dated October 1, 1921, and recorded in Deed Book 41, page 282, in the office of the Clerk of Garrard County Court.

ITEM No. 14: On Dix River Cliff and being all of the lands formerly owned by Daniel L. Huff which may be submerged or affected by the impounded waters of a dam built and maintained in Dix River near its mouth, and beginning upstream at line of lands of Silas McMurtry and extending downstream to line of lands of Dix River Power Company, being the same property conveyed to Dix River Power Company by Daniel Huff, et. al., by deed dated June 9, 1923, and recorded in Deed Book 42, page 480, in the office of the Clerk of Garrard County Court.

ITEM No. 15: Beginning at the corners of Dan Huff and Thomas McMurtry, Sr., running with the lines of Thomas McMurtry and C. P. Kennedy Southward direction to Dix Diver; thence running with the River

Northwest about 535 feet, cornering at a sycamore tree at River bank; thence running Northeast 250 feet cornering at a stone fence; thence North with Kennedy's stone fence to the wall at turn in the turnpike; thence following Dan Huff's line East to the beginning, containing 2½ acres more or less, being the same property conveyed to Dix River Power Company by Frank Martin, et al., by deed dated March 29, 1913, and recorded in Deed Book 30, page 198, in the office of the Clerk of Garrard County Court.

ITEM No. 16: As much of the land hereinafter described as may be submerged by the creation of a reservoir in Dix River by the erection upon the land of the Dix River Power Company in Mercer and Garrard Counties of a dam to the height of 725 feet above sea level. Said land lies on the waters of Dix River and is described as follows:

Beginning at a point in the middle of the Bryantsville and Cane Run Turnpike road over a culvert and corner to Smith; thence with Smith's line S. 5½ E. 66.32 poles to cedar, corner to same; thence S. 77¾ W. 16 poles to white oak; thence N. 87¼ W. 47¼ poles to a cedar; thence N. 5½ E. 42.80 poles to a stake 12 links Southeast from a cedar pointer; thence S. 89¼ E. passing corner to church lot at 5.80 poles, in all 15.80 poles to a stake, corner to same; thence with another line of church lot N. 4 E. 24 poles to middle of the aforesaid turnpike; thence with middle of said turnpike N. 79 E. 6 poles S. 81¾ E. 21 poles to South edge of metal N. 72 E. 9.32 poles to the beginning, containing in the survey 21½ acres, being the same property conveyed to Dix River Power Company by Thomas McMurry, Sr., by deed dated March 29, 1913, and recorded in Deed Book 30, page 135, in the office of the Clerk of Garrard County Court.

ITEM No. 17: Also all of land lying between said McMurry's 21½ acres and the mill tract formerly owned by E. J. Tinsler, and also all of the land lying between said mill tract and the colored church lot. Said land being bounded as follows: Beginning at a stake in middle of the turnpike; thence with church lot line S.

4 W. 5.25 chains to a stake, corner to same and in line to Thomas McMurry; thence his line N. 89¼ W. 1.45 chains to a stake 12 links Southeast from a cedar, corner to said McMurry; thence S. 5½ W. 10.70 chains to a cedar, his corner, and thence on same course 3.95 chains more making in all 14.65 chains to a stake in line to the mill tract; thence with same N. 48¾ W. 3.50 chains to a large cedar, corner to same; thence still with same N. 16½ E. 17.75 chains to the middle of turnpike, corner in said mill tract line; thence with middle of pike N. 73 E. 1 chain to the beginning, containing 3 acres more or less, being the same property conveyed to Dix River Power Company by Thomas McMurry, Sr., by deed dated March 29, 1913, and recorded in Deed Book 30, page 135, in the Clerk's office aforesaid.

ITEM No. 18: All of the land formerly owned by Silas and Abner McMurry on Dix River in Garrard County, Kentucky, which may be covered by water impounded on account of the erection and maintenance of a dam in Dix River near its mouth, the spillway top of which will be 750 feet above sea level, and beginning upstream at the line of the lands of Dix River Power Company, formerly Henry T. Smith, and extending downstream to line of lands of Dix River Power Company, being the same property conveyed to Dix River Power Company by Silas McMurry, single, and others, by deed dated June 6, 1923, and recorded in Deed Book 42, page 482, in the office of the Clerk of Garrard County Court.

ITEM No. 19: All of the lands formerly owned by Henry T. and Sarah E. Smith on Dix River which lie below a line 750 feet above sea level and beginning at line of lands of Samuel Sechrist (now Dix River Power Company), and running thence down Dix River to line of lands of Thomas McMurry (now Dix River Power Company), being the same property conveyed to Dix River Power Company by Henry T. Smith, single, and others, by deed dated September 16, 1922, and recorded in Deed Book 42, page 85, in the office of the Clerk of Garrard County Court.

ITEM No. 20: All of the lands formerly owned by B. F. Sechrist on Dix River which lie below a line 750

feet above sea level and beginning at line of lands of D. M. Lay (formerly Brown), and running down Dix River to line of lands of Henry T. Smith, being the same property conveyed to Dix River Power Company by B. F. Sechrist, et. al., by deed dated February 20, 1922, and recorded in Deed Book 41, page 443, in the office of the Clerk of Garrard County Court.

ITEM No. 21: All of the lands formerly owned by D. M. Lay on Dix River in Garrard County, Kentucky, which will be submerged by the erection and maintenance of a dam in Dix River, the spillway floor of which will not be higher than 750 feet above sea level, and generally described as beginning at the line of the land purchased by Dix River Power Company from John Nooe, and extending down Dix River to the line of the lands purchased by Dix River Power Company from Sam Sechrist; the land herein conveyed being the same conveyed to Kentucky Hydro Electric Company by deed from D. M. Lay and wife, dated November 14, 1923, and recorded in Deed Book 42, page 639, in the office of the Clerk aforesaid.

ITEM No. 22: All of the lands formerly owned by John Nooe on Dix River which lie below a line 750 feet above sea level, beginning at the line of C. W. Coulter and extending down Dix River to the line of D. M. Lay, being the same property conveyed to Dix River Power Company by John Nooe, et. al., by deed dated February 22, 1922, and recorded in Deed Book 41, page 442, in the office of the Clerk of Garrard County Court.

ITEM No. 23: All the lands below a line 750 feet above sea level which formerly belonged to C. W. Coulter and are situated on the waters of Dix River, beginning at the line of Charles D. Dunn and running down Dix River to the line of John Nooe, being the same property conveyed to Dix River Power Company by C. W. Coulter, a widower, by deed dated May . . . 1922 and recorded in Deed Book 41, page 601, in the office of the Clerk of Garrard County Court.

ITEM No. 24: All of the lands formerly owned by Theodore L. Dunn and Charles Dunn on Tan Yard Branch and on Dix River which lie below a line 750 feet

above sea level, beginning at said 750 feet above sea level line, or elevation, on a left fork of said Tan Yard Branch and running down same with the lines of William Sherrow to the main Tan Yard Branch, thence down same with the lines of A. L. Sanders to the mouth of said branch at Dix River, thence down Dix River to the line of C. W. Coulter; being the same property conveyed to Dix River Power Company by Theodore L. Dunn, et. al., by deed dated August 31, 1922, and recorded in Deed Book 42, page 57, in the office of the Clerk of Garrard County Court.

ITEM No. 25: All of the lands formerly belonging to William M. Sherrow which lie below a line 750 feet above sea level and on Tan Yard Branch, and on two forks thereof, and running on the East fork with line of the lands of W. H. Swope and on the North fork with line of lands of Theodore Dunn, being the same property conveyed to Dix River Power Company by William M. Sherrow, et. al., by deed dated September 16, 1922, and recorded in Deed Book 42, page 67, in the office of the Clerk of Garrard County Court.

ITEM No. 26: All the lands between a line 750 feet above sea level and bed of Tan Yard Branch and land of William Sherrow, beginning at said 750 feet sea level elevation and extending down Tan Yard Branch with its meanders to line of lands of A. F. Saunders, being the same property conveyed to Dix River Power Company by W. H. Swope, et. al., by deed dated October 15, 1921, and recorded in Deed Book 41, page 257, in the office of the Clerk of Garrard County Court.

ITEM No. 27: All the lands formerly owned by A. F. Sanders that lie below a line 750 feet above sea level on the waters of Scott's Branch, Dix River and Tan Yard Branch, beginning at the line of Ed Taylor, deceased, estate on North side of Scott's Branch, thence running down said branch, its meanders, with line of Wm. McKechnie estate to Dix River, thence down Dix River, its meanders, to mouth of Tan Yard Branch, thence up Tan Yard Branch, with its meanders, with the lines of Charles Dunn and Theodore Dunn and William Sherrow to the line of W. H. Swope, being the same

property conveyed to Dix River Power Company by A. F. Sanders, et. al., by deed dated April 27, 1922, and recorded in Deed Book 41, 582, in the office of the Clerk of Garrard County Court.

Item No. 28: Situate in Garrard County on Baughman's or Scott's Branch, and being all of the lands formerly owned by Sophia Taylor and others on said branch which may be submerged by reason of the erection and maintenance of a dam in Dix River, the spillway floor of which will not be higher than 750 feet above sea level; and beginning at the line of lands of W. T. Doolin and extending down said branch to the line of lands of Dix River Power Company, formerly Al Sanders, being the same property conveyed to Dix River Power Company by Sophia Taylor, widow of Edward Taylor, et. al., by deed dated July 30, 1923, and recorded in Deed Book 42, page 524, in the office of the Clerk of Garrard County Court.

Item No. 29: All of the land formerly owned by W. T. Doolin in Garrard County on Scott's Branch and Smith's Branch, which may be submerged by the erection and maintenance of a dam in Dix River, the spillway floor of which will not be higher than 750 feet above sea level, being the same property conveyed to Kentucky Hydro Electric Company by deed from W. T. Doolin and wife, dated January 24, 1924, and recorded in Deed Book 43, page 190, in the office of the Clerk of the County Court of Garrard County, Kentucky.

Item No. 30: Three parcels of land lying and being in Garrard County, Kentucky, on the waters of Dix River and bounded as follows:

Beginning at a point in a drain, about 25 feet up the drain from an ash tree on the West side of same in line to Joshua Dunn; thence with said Dunn S. 2 $\frac{3}{4}$  W. 37.83 chains to a stake, corner to same and Geo. B. Robinson; thence with said Robinson S. 62 E. 19.60 chains to a stake on the West side of a gate, corner to same S. 61 E. 23.83 chains to a stake, corner to same; thence North 22 E. with Tomlinson 12 chains to the middle of Scott's Branch 13 links South of a marked sycamore, corner to Tom Taylor; thence down said branch with said Taylor

N. 35 $\frac{1}{4}$  W. 3 chains S. 81 W. 5.72 chains to a sycamore on South bank of branch; N. 40 $\frac{1}{2}$  W. 80.90 chains to the upper and near corner of a large rock at the West bank of branch, N. 9 $\frac{1}{2}$  W. 3.50 chains N. 34 W. 7.75 chains to foot of cliff on West Side N. 40 E. 3 chains N. 77 $\frac{1}{4}$  E. 6 chains near the foot of cliff on North side, S. 65 $\frac{1}{4}$  E. 3 chains S. 25 $\frac{1}{4}$  E. 4.85 chains S. 44 $\frac{1}{2}$  E. 3 chains S. 57 $\frac{1}{2}$  E. 2.43 chains N. 71 $\frac{1}{2}$  E. 3.37 chains N. 18 E. 1.60 chains N. 35 W. 4 chains N. 3. W. 7.50 chains to a young black walnut on the West bank, N. 37 $\frac{1}{4}$  E. 2.70 chains to a point at the foot of the cliff on the West side of the branch and  $\frac{1}{2}$  pole down the branch from a young hickory pointer; thence leaving the branch N. 72 W. 27.77 chains (passing the top of the cliff at a leaning black oak at 3.30 chains) to a stake, corner to Nathan Noe; thence with said Noe N. 9 E. 15.74 chains to a sugar tree on top of the cliff of Dix River; thence along the top of said cliff and up the River S. 66 $\frac{1}{4}$  W. 6.22 chains to a cedar N. 87 W. 6.50 chains to a young dead elm S. 77 W. 8.25 chains to the beginning, containing in the survey 158.16 acres, but this conveyance contains all the land lying between the Frazier tract and Dix River and is bounded by the line aforesaid which extends from the sugar tree to the beginning corner.

Item No. 31: The second parcel lies adjoining the above parcel and is bounded as follows: Beginning at a stake, corner to the Totten tract and the land hereby conveyed; thence West 5 E. 78 poles to a sugar tree on the cliff on Dix River; thence the same course down the cliff to the said River 30 poles to a stone; thence with the meanders of said River N. 69 $\frac{1}{2}$  E. 42 poles N. 79 E. 34 poles S. 81 E. 20 poles S. 40 E. 20 poles S. 20 E. 40 poles S. 40 E. 29 poles to a line on the East bank of Scott's Branch, near the mouth; thence S. 74 W. 51 poles to a Spanish oak stump; thence S. 18 poles to a rock on the top of the cliff of Scott's Branch; thence S. 1 E. 20 poles to a stone; thence W. 67.44 poles to the beginning, containing 77 acres, 3 roods, 24 poles.

Item No. 32: Third parcel adjoining the above parcel and is bounded as follows: Beginning at a stone, corner to the above boundary; thence N. 1 W. 20 poles, corner to same (a stone); thence S. 34 poles to a stone, cor-

hackberry; N 42° 30 minutes W .97 of a chain; N 35° 40 minutes W 1.52 chains; N 30° W 2.32 chains to a cedar; N 20° W 2.29 chains to an ash; N 7° W .73 of a chain to a buckeye and poplar; N 18° W 1.37 chains to a 36 inch leaning white oak; N 38° 15 minutes W 2.18 chains; N 44° 30 minutes W 1.88 chains to a buckeye; N 36° 45 minutes W 1.59 chains; N 58° 30 minutes W 1.52 chains to a stake; N 38° 30 minutes W 1.63 chains to a buckeye; N 72° 15 minutes W 1.62 chains; S 84° 30 minutes W .79 of a chain to a maple; N 62° 30 minutes W .86 of a chain to a red bud; S 76° 15 minutes W 1.18 chains; to an ash; N 67° 15 minutes W 1.88 chains; N 68° W .98 of a chain to a mark on a large boulder; N 30° 15 minutes W 1.38 chains to property line between William McKechnie Estate and land of William Doolin on the 760 foot contour line; thence with Doolin's line N 32° 30 minutes E 1.32 chains to a contour line 725 feet above sea level and being the property line of Kentucky Hydro Electric Company, formerly Dix River Power Company line; hence with the 725 foot sea level line with Scott's Branch to the property line of land of Dave A. Thomas (formerly McKechnie Heirs) thence leaving the 725 foot contour line, and with Thomas' property line to the 760 foot contour line, the point of beginning, being the same property conveyed to Kentucky Hydro Electric Company by deed from Commissioner of Garrard County Court, dated February 23, 1925, and recorded in Deed Book 44, page 97, in the office aforesaid.

Item No. 35: All of the lands formerly belonging to Margaret S. Elliott, William M. Elliott and Frank Folger on Dix River which may be submerged on account of the erection and maintenance of a dam therein, the spillway floor of which will not be higher than 750 feet above sea level and beginning at line of lands of Mattie Hampton, et. al., (now Dix River Power Company), and extending to lands of McKechnie (now Dix River Power Company), and being the same property conveyed to Dix River Power Company by deed from Margaret S. Elliott, et. al., dated July 1913, and recorded in Deed Book 30, page 288, in the office of the Clerk of the Garrard County Court and also by deed from Frank Folger and wife,

ner to same; thence S. 20 poles to a stone; thence W. 34 poles to the beginning, containing 4 acres. The foregoing three parcels are the same property conveyed to Dix River Power Company by William McKechnie, et. al., by deed dated April 28, 1913, and recorded in Deed Book 30, page 195, in the office of the Clerk of Garrard County Court.

Item No. 33: All of the lands formerly owned by D. A. Thomas, J. E. Robinson and L. L. Walker, lying on Dix River and Scott's Fork which may be submerged by reason of the erection and maintenance of a dam in Dix River, the spillway floor of which will not be higher than 760 feet above sea level, and beginning upstream on Dix River at line of lands formerly owned by Frank Folger, and thence extending down Dix River and up Scott's Fork to line of lands formerly owned by W. T. Doolin, being the same conveyed to Kentucky Hydro Electric Company by deed from said Thomas, Robinson and Walker, dated April 24, 1925, and recorded in Deed Book 44, page 212, in the office aforesaid.

Item No. 34: Situated in Garrard County, Kentucky, on, upon or near Dix River and Scott's Branch, and beginning at a point on the line 760 feet above sea level, on line between lands of William McKechnie Estate and those recently purchased by D. A. Thomas, and which point is above Dix River near a hackberry tree bearing N. 72 1/2° W, thence N. 34° 30 minutes E 1.86 chains to an ash; thence N 17° 00 minutes E 1.88 chains to a hackberry; thence N 15° E 1.62 chains; N 1° E 1.88 chains to 1.31 chains; N 5° W 1.56 chains; N 1° E 1.88 chains to an elm stub; N 12° W 1.62 chains to a cedar; N 52 E .5 of a chain to a cedar stub; S 50° 30 minutes E 1.3 chains to a cedar; S 41° 30 minutes E 1.26 chains to a cedar; S 23° E 1.11 chains to a maple; S 43° E 1.32 chains; S 61° 45 minutes chains to a maple; S 72° 45 minutes E 2.17 chains; N 87° 30 E 1.16 chains; S 72° 45 minutes E 2.17 chains; N 82° E 2.54 minutes E 1.04 chains to a hackberry; N 82° E 2.54 chains N 74° E 1.81 chains to a 12 inch cedar stump; N 71° E 2.45 chains to a twin ash; N 50° 15 minutes E 1.99 chains; N 26° E 1.21 chains; N 1° W 1.52 chains; N 19 degrees W 1.37 chains to a sugar tree; N 28° 30 minutes W 1.84 chains to a

thence leaving the River with said boundary line S 55- W 368 feet and with the wire fence; thence S 38-17 W 150.8 feet with said boundary line and fence line to the point of beginning and containing 9.45 acres of land. Also all of the lands of first parties which lie between the lines of the boundary hereabove described and the thread, or middle, of Dix River, being the same property conveyed to Kentucky Hydro Electric Company by deed dated January 26, 1925, and recorded in Deed Book 44, page 51, in the office aforesaid.

Item No. 38: All the land formerly owned by J. T. Pope that lies below a line 750 feet above sea level, along Dix River, beginning at the line of G. V. Pence land (now also at the line of property of Dix River Power Company purchased from said Pence), hence down Dix River with its meanders a distance of about two miles to the line of land of McWhorter, being the same property conveyed to Dix River Power Company by J. T. Pope, widower, by deed dated June 17, 1922, and recorded in Deed Book 41, page 600, in the office of the Clerk of Garrard County Court.

Item No. 39: All of the lands formerly owned by G. V. Pence on Dix River which lie below a line 750 feet above sea level and beginning at the line of lands of Nancy E. Beatty and running thence down Dix River to line of lands of J. T. Pope, being the same property conveyed to Dix River Power Company by G. V. Pence, et. al., by deed dated March 4, 1922, and recorded in Deed Book 41, page 533, in the office of the Clerk of Garrard County Court.

Item No. 40: All of the lands formerly owned by Nancy E. Beatty on Dix River that lie below a line 750 feet above sea level and beginning at line of lands of I. M. Dunn and extending down Dix River to line of lands of G. V. Pence, being the same property conveyed to Dix River Power Company by Nancy E. Beatty, et. al., by deed dated February 6, 1922, and recorded in Deed Book 41, page 414, in the office of the Clerk of Garrard County Court.

Item No. 41: The right of easement and use, so long as the dam shall be maintained, so much of the lands of

dated August 22, 1923, and recorded in Deed Book 42, page 564, in the office of the Clerk aforesaid.

Item No. 36: All of the lands formerly belonging to Mattie L. Hampton on Dix River in Garrard County, Kentucky, which lie below a line 750 feet above sea level, and beginning at line of lands of E. C. McWhorter and extending down Dix River to the line of the lands of Frank Folger (formerly owned by M. Elliott and sold by him to Dix River Power Company), being the same property conveyed to Dix River Power Company by Mattie L. Hampton, single, by deed dated October 24, 1922, and recorded in Deed Book 42, page 159, in the office of the Clerk of Garrard County Court.

Item No. 37: Situate in Garrard County, Kentucky, on, in and near Dix River and beginning in property line between lands of Maxaline McWhorter and others and at a line 760 feet above sea level, being marked by blazed timber line and running thence with said sea level line S 43 E 16.9 feet to a point in said sea level line; thence N 58-4 E with said sea level line 89.9 feet; thence with same N 60 E 111.5 feet; thence N 73-2 E 80.7 feet; thence S 58-45 E 78.7 feet; thence S 51-44 E 142.6 feet with same to a 14 inch elm; thence S 54-12 E 409.9 feet with same to a 10 inch white ash; thence with same S 76-13 E 104.6 feet; thence with same S 72-18 E 274 feet; thence S 59-23 E 144 feet; thence S 30 E 98.9 feet; thence S 70-32 E 86.7 feet; thence N 65-37 E with same 186.1 feet; thence N 66-23 E 58.5 feet; thence N 73-38 E 198.5 feet; thence N 56-7 E 72.5 feet; thence N 89-46 E 125.7 feet to a point on rock in branch; thence N 54-47 E with same 310.8 feet to a 30 inch hackberry on property line between McWhorter and .....; thence with said sea level line S 82-42 W 133.2 feet; thence with same N 52-21 W 103.4 feet; thence with same N 11-10 W 16.8 feet to a tack in a 12 inch cedar; thence N 74-55 W leaving the 760 foot sea level line 98 feet to the edge of mean low water on Dix River; thence upstream with the edge of mean low water of Dix River as it meanders to a point at the edge of mean low water at the boundary line between McWhorter and .....

I. M. Dunn hereinafter described along the channel of Dix River within the cliffs forming the embankment and along side said river channel, as will be submerged by the erection of said dam to a height of not exceeding 750 feet above sea level near the mouth of Dix River for the development of water power by Dix River Power Company, its successors or assigns, of the following described land in Garrard County, Kentucky, to-wit:

Beginning at the line of Green Bowling property and extending down Dix River within and below the cliff line above the river bed along side said river to the neck of "Frying Pan Bend"; thence across same with line of T. E. Dunn to Dix River on lower side of said bend; thence with Dix River within and below the cliff line above the river bed and along side said river to line of property of Cecil Beatty, (a distance of about one mile) be the same, more or less, being the same property conveyed to Dix River Power Company by I. M. Dunn, et. al., by deed dated December 29, 1921, and recorded in Deed Book 42, page 609, in the office of the Clerk of Garrard County Court.

**Irem No. 42:** All of the land formerly owned by G. A. Bowling on Dix River which lies below a line 750 feet above sea level, and beginning at line of lands of R. L. Rose and extending to line of lands of I. M. Dunn, being the same property conveyed to Dix River Power Company by G. A. Bowling, et. al., by deed dated July 27th, 1922 and recorded in Deed Book 42, page 8, in the office of the Clerk of Garrard County Court.

**Irem No. 43:** Upon Dix River and being all of the lands formerly owned by Robert L. Rose lying below a line 750 feet above sea level and beginning at the line of lands of Obe Garnett or Henry and Jane Dunn and running thence down Dix River to line of lands of G. A. Bowling, being the same property conveyed to Dix River Power Company by Robert L. Rose, et. al., by deed dated April 5, 1922, and recorded in Deed Book 41, page 536, in the office of the Clerk of Garrard County Court.

**Irem No. 44:** All of the lands formerly owned by Obe Garnett on Dix River which may be submerged on ac-

count of the erection and maintenance of a dam in Dix River, the spillway floor of which will not be higher than 750 feet above sea level and beginning at line of lands of Lee Pierce and extending down Dix River to line of the Robert Rose lands, being the same property conveyed to Dix River Power Company by Obe Garnett, et. al., by deed dated August 22, 1923, and recorded in Deed Book 42, page 558, in the office of the Clerk of Garrard County Court.

**Irem No. 45:** All of the lands formerly owned by Lee Pierce and wife on Dix River in Garrard County, Kentucky, which may be submerged by reason of the erection and maintenance of a dam in Dix River, the spillway floor of which will not be higher than 750 feet above sea level, and beginning at the line of the lands known as the Rube Garnett lands, and extending down Dix River to the line of the lands known as the Obe Garnett lands, and being the same property conveyed to Kentucky Hydro Electric Company by deed from Lee Pierce and wife dated August 23, 1923, and recorded in Deed Book 42, page 608, in the office of the Clerk aforesaid.

**Irem No. 46:** All of the lands formerly owned by Rube Garnett and Mattie Garnett in Garrard County on Dix River at Davistown, which may be submerged by reason of the erection and maintenance of a dam in Dix River, the spillway floor of which will not be higher than 750 feet above sea level, being the same property conveyed to Kentucky Hydro Electric Company by deed from Rube Garnett and wife, dated March 20, 1924, and recorded in Deed Book 43, page 305, in the office of the Clerk of the County Court of Garrard County, Kentucky.

**Irem No. 47:** All lands formerly owned by Malcolim Kincaid on Dix River which lie below a line 750 feet above sea level, and between the lands of Silas and Belle Ready (now property of Dix River Power Company) and land of estate of Ed. and Jane Dunn, deceased, situate in lower end of the Davistown settlement, being the same property conveyed to Dix River Power Company by Malcolim Kincaid, et. al., by deed dated October 7, 1922, and recorded in Deed Book 42, page 86, in the office of the Clerk of Garrard County Court.

Item No. 48: Being all of the lands formerly owned by Sallie Bell Ready on Dix River which lie below a line 750 feet above sea level, and being a portion of the following described tract of land:

Beginning at an elm on the bank of Dix River, corner to Kincaid and Morehead; thence up the cliff with their line S. 72 E. 36 poles to a corner to a stake on the side of the road; thence S. 17 $\frac{1}{4}$  W. 22 poles to a stake 6 feet South of a double elm; thence down the River to the beginning, excluding a one-half-acre school house lot conveyed by Boner to the school trustee, being the same property conveyed to Dix River Power Company by Sallie Bell Ready, et. al., by deed dated April 5, 1922, and recorded in Deed Book 41, page 535, in the office of the Clerk of Garrard County Court.

Item No. 49: In the Davistown settlement in Garrard County, Kentucky, to-wit:

All the lands below a line 750 feet above sea level which formerly belonged to Frances Smith and are situate on the waters of Dix River in Garrard County, Kentucky, beginning at the line of George Simpson upstream, and running to the line of the lands of the heirs of Commodore Dunn, down-stream, and being a part of the land inherited by them from Lot Smith, deceased, being the same property conveyed to Dix River Power Company by Frances Smith, et. al., by deed dated June 17, 1922, and recorded in Deed Book 41, page 644, in the office of the Clerk of Garrard County Court.

Item No. 50: In the Davistown settlement, being all of the tract lying below a line 750 feet above sea level and the bed of Dix River, which tract is more particularly described as follows: Beginning at a corner to Sam Morehead's line, thence S. 70 yards to corner of Lot Smith's, thence W. 70 yards to cliff of Dix River, thence N. 70 yards to Sam Morehead's line, thence East 70 yards to the beginning, which deed is to be found of record in the office of the County Court Clerk of Garrard County, Deed Book 18, page 95 of the date September 10, 1902, being the same property conveyed to Dix River Power Company by George Weathers, et. al., by deed

dated December 27, 1921, and recorded in Deed Book 41, page 343, in the office of the Clerk of Garrard County Court.

Item No. 51: In the Davistown settlement of Garrard County, Kentucky, being all of that part of the tract lying below a line 750 feet above sea level and the bed of Dix River, which tract is bounded as follows: Beginning at a stake on bank of Dix River, corner to Sol and Morocco Smith, thence up the cliff with their line N. 46 E. to a stake, corner to Ned Graves and George Graves, thence S. 34 W. 36 poles to a stake on the bank of Dix River, thence down the river to the beginning. The above are the old deed calls, being a part of the land conveyed to George Simpson and Willis Simpson by J. H. Davis and wife, which deed is of record in Deed Book Y, page 287, of the office of the Clerk of the Garrard County, Kentucky, County Court, and of the date of September 11, 1868, being the same property conveyed to Dix River Power Company by George W. Simpson, a widower, by deed dated December 27th, 1921, and recorded in Deed Book 41, page 346, in the office of the Clerk of Garrard County Court.

Item No. 52: All the lands below a line 750 feet above sea level which formerly belonged to Margaret White and are situate on the waters of Dix River in Garrard County, Kentucky, beginning at the line of William Dunn, of color, upstream, and running to the line of the lands of the Oscar Gaines heirs, of color, down stream, being a part of the lands inherited by Margaret White from her mother, Victoria Logan, and conveyed to Victoria Logan by James H. Davis and wife, by deed dated May 15, 1876, and recorded in Deed Book 2, page 286, in the office of the Clerk of the Garrard County Court, being the same property conveyed to Dix River Power Company by Margaret White, et. al., by deed dated August 19, 1922, and recorded in Deed Book 42, page 80, in the office of the Clerk of Garrard County Court.

Item No. 53: All the lands formerly owned by Mary Jane Graves and Delilah J. Embry on Dix River which lie below a line 750 feet above sea level and which are

**Item No. 57:** All of the lands formerly owned by Mary Tarrance, lying on Dix River at Davistown, which may be submerged by reason of the erection and maintenance of a dam in Dix River, the spillway floor of which will not be higher than 760 feet above sea level, and beginning upstream at line of lands of Henry Dunn's heirs and extending downstream to line of lands of Buck Dunn's heirs, being the same property conveyed to Kentucky Hydro Electric Company by deed dated May 2, 1924, and recorded in Deed Book 43, page 423, in the office aforesaid.

**Item No. 58:** All of the lands formerly owned by Dave Dunn lying on Dix River at Davistown, which may be submerged by reason of the erection and maintenance of a dam in Dix River, the spillway floor of which will not be higher than 760 feet above sea level, and beginning upstream in line of lands formerly owned by Lot Smith's heirs and running downstream to line of lands formerly owned by Henry Dunn's heirs, being the same property conveyed to Kentucky Hydro Electric Company by deed dated May 14, 1925, and recorded in Deed Book 44, page 233, in the office aforesaid.

**Item No. 59:** Beginning at a post in line of property of Kentucky Hydro Electric Company, which property was conveyed to Dix River Power Company by J. I. Hamilton by deed dated March 25, 1913, and recorded in Deed Book 30, page 111, in the office of the Garrard County Court Clerk, and running thence with lines in said deed as follows: N 48° 30 minutes W 424 feet to a post; N 4° 45 minutes W 238 feet to a post; N 21° E 84 feet to a stake; S 27° 10 minutes E 666 feet to the beginning, and containing 1.3 acres, being the same conveyed to Kentucky Hydro Electric Company by deed dated May 31, 1924, and recorded in Deed Book 43, page 417, in the office aforesaid.

**Item No. 60:** All of the land formerly owned by Jano Burnam, lying on Dix River at Davistown, which may be submerged by reason of the erection and maintenance of a dam in Dix River, the spillway floor of which will not be higher than 760 feet above sea level, and beginning upstream at line of lands of Henry Dunn's heirs and

situate between the lands of Oscar Gaines and George Simpson in the Davistown settlement, being the same property conveyed to Dix River Power Company by deed dated August 15, 1922, and recorded in Deed Book 42, page 71, in the office of the Clerk of Garrard County Court.

**Item No. 54:** All of the land formerly owned by William Dunn and Sam Dunn and Peachie Davis lying on Dix River at Davistown, which may be submerged by reason of the erection and maintenance of a dam in Dix River, the spillway floor of which will not be higher than 760 feet above sea level, and beginning upstream at line of land formerly owned by Jano Burnam, and running downstream to line of lands of George Segar or Swope and adjoining land of Margaret White, being the same conveyed to Kentucky Hydro Electric Company by deed dated May 5, 1924, and recorded in Deed Book 43, page 398, in the office aforesaid.

**Item No. 55:** All of the lands formerly owned by Willie C. Dunn, Georgia Davis and Cecil Dunn, lying on Dix River at Davistown, which may be submerged by reason of the erection and maintenance of a dam in Dix River, the spillway floor of which will not be higher than 760 feet above sea level, and beginning at line of lands formerly owned by Lot Smith's heirs upstream and running downstream to line of lands formerly owned by Henry Dunn's heirs, being the same conveyed to Kentucky Hydro Electric Company by deed dated May 2, 1924, and recorded in Deed Book 43, page 399, in the office aforesaid.

**Item No. 56:** All of the lands formerly owned by the heirs of Oscar Gaines lying on Dix River at Davistown, which may be submerged by reason of the erection and maintenance of a dam in Dix River, the spillway floor of which will not be higher than 760 feet above sea level, and beginning at the line of lands formerly owned by Margaret White upstream and extending down to line of lands formerly owned by George Gaines' heirs downstream, being the same conveyed to Kentucky Hydro Electric Company by deed dated May 27, 1924, and recorded in Deed Book 44, page 129, in the office aforesaid.

**Item No. 64:** All of the land formerly owned by Ellen Dunn lying below a line 750 feet above sea level on Dix River and beginning at line of lands of William Bronston and extending down the river to a line drawn from corner of land of Dave Rankin on the cliff directly to the Dix River Bank, being a portion of the same land now occupied by Ellen Dunn and of which real estate said Ellen Dunn has had open, notorious, adverse, peaceable, and continuous possession for a period of forty years next before the execution of this instrument, being the same property conveyed to Dix River Power Company by Ellen Dunn, unmarried, by deed dated December 27, 1921, and recorded in Deed Book 41, page 348, in the office of the Clerk of Garrard County Court.

**Item No. 65:** All of the lands formerly owned by William Bronston on Dix River lying below a line 750 feet above sea level and between lines of the lands of C. K. Poindexter and Ellen Dunn, being the same property conveyed to Dix River Power Company by William Bronston, et. al., by deed dated December 27th, 1921, and recorded in Deed Book 41, page 347, in the office of the Clerk of Garrard County Court.

**Item No. 66:** All the lands between a line 750 feet above sea level and low water mark of Dix River, beginning at a point in the line of Ed Ready on Dix River 750 feet above sea level and continuing with said 750 foot line down the river, with its meanders, to the line of William Bronston, in all about 600 feet in distance, being the same property conveyed to Dix River Power Company by C. K. Poindexter, et. al., by deed dated October 13th, 1921, and recorded in Deed Book 41, page 256, in the office of the Clerk of Garrard County Court.

**Item No. 67:** All of the lands formerly owned by Ed Ready on Dix River which lie below a line 750 feet above sea level and beginning at line of lands of Jeff Ready and running down Dix River to line of lands of C. K. Poindexter, being the same property conveyed to Dix River Power Company by Ed Ready by deed dated January 26, 1922, and recorded in Deed Book 41, page 412, in the office of the Clerk of Garrard County Court.

running downstream to line of lands of Buck Dunn's heirs, being the same conveyed to Kentucky Hydro Electric Company by deed from Jane Burman, dated May 3, 1924, and recorded in Deed Book 43, page 401, in the office of the Clerk aforesaid.

**Item No. 61:** All of the land formerly owned by Mary Jane Graves, lying in Dix River at Davistown, which may be submerged by reason of the erection and maintenance of a dam in Dix River, the spillway floor of which will not be higher than 760 feet above sea level, and beginning upstream at line of land of Will Dunn and others and running downstream to line of lands of Segar Heirs, being the same property conveyed to Kentucky Hydro Electric Company by deed from Mary Jane Graves, dated May 5, 1924, and recorded in Deed Book 43, page 397, in the office aforesaid.

**Item No. 62:** All the land formerly owned by Bertha Lee McGarvin, lying on Dix River at Davistown, which may be submerged by reason of the erection and maintenance of a dam in Dix River, the spillway floor of which will not be higher than 760 feet above sea level, and beginning at the lands of Mack Kincaid upstream and running thence downstream to the lands of Bube Garnett, being the same conveyed to Kentucky Hydro Electric Company by deed from Bertha Lee McGarvin and husband, dated April 23, 1925, and recorded in Deed Book 44, page 211, in the office aforesaid.

**Item No. 63:** All lands formerly owned by Jas. H. Edwards which lie below a line 750 feet above sea level on Dix River, and beginning at the line of land of estate of David Rankin, deceased, and extending down said River to the land of William Dunn, situated immediately above the Davistown settlement. Said land being all the cliff land below the 750 feet sea level appurtenant and adjoining the land of said Edwards, being the same property conveyed to Dix River Power Company by Jas. H. Edwards, et. al., by deed dated October 25th, 1922, and recorded in Deed Book 42, page 96, in the office of the Clerk of Garrard County Court.

ITEM No. 68: All of the lands formerly owned by Jeff Ready on Dix River, that lie below a line 750 feet above sea level, and beginning at line of lands of Aaron Smith, at a sycamore on bank of Dix River, and thence down the River N. 66 $\frac{1}{2}$  degrees East, 22 poles to a stake; thence North 29 $\frac{1}{2}$  degrees East, 18.25 poles to a sycamore, corner to Ed Ready, being the same property conveyed to Dix River Power Company by deed dated December 17, 1921, by Jeff Ready, et. al., and recorded in Deed Book 41, page 345, in the office of the Clerk of Garrard County Court.

ITEM No. 69: All of the lands formerly owned by Aaron Smith lying on Dix River and which lie below a line 750 feet above sea level, and which are a portion of the following described real estate: Beginning at a stone, corner to Aaron E. Smith, thence N. 56 $\frac{1}{2}$  W. 23 poles to a stake at the River bank, thence N. 66 $\frac{1}{2}$  E. 10 poles to a sycamore, thence S. 56 $\frac{1}{2}$  E. 23 poles to a stone on line of lands of Mary Ready, deceased, thence S. 49 $\frac{1}{2}$  W. 10 poles to the beginning, being the same property conveyed to Dix River Power Company by Aaron Smith, et. al., by deed dated January 24, 1922, and recorded in Deed Book 41, page 413, in the office of the Clerk of Garrard County Court.

ITEM No. 70: All the lands formerly owned by Aaron H. Smith on Dix River which lie below a line 750 feet above sea level, and beginning at the line of John Wallace or Mrs. A. C. King and extending down the River to the line of Aaron Smith, called also Aaron C. Smith, and which land is described in the deed of Mary Ready to Aaron H. Smith as follows: Beginning at a stone, thence S. 48 $\frac{1}{4}$  W. 45.50 poles to a stake at the water's edge of Dix River, 14 links South of an elm, thence down the river with its meanders N. 9 $\frac{1}{2}$  W. 18 poles, N. 20 E. 21.60 poles to a point near a large sycamore, thence N. 66 $\frac{1}{2}$  E. 11.52 poles to a stake marked B, etc., being the same property conveyed to Dix River Power Company by Aaron H. Smith, et. al., by deed dated February 17th, 1922, and recorded in Deed Book 41, page 444, in the office of the Clerk of Garrard County Court.

ITEM No. 71: All of the lands formerly owned by T. English Dunn on Dix River, which may be submerged by reason of the erection and maintenance of a dam in Dix River, the spillway floor of which will not be higher than 750 feet above sea level, and lying between the lands formerly owned by Mrs. J. K. Shreve upstream and the lands formerly owned by Aaron Smith downstream, being the same conveyed to Kentucky Hydro Electric Company by deed from T. English Dunn, dated June 24, 1925, and recorded in Deed Book 44, page 579, in the office aforesaid.

ITEM No. 72: Being all of the lands formerly owned by T. C. Rankin on Dix River which may be submerged on account of the erection and maintenance of a dam in Dix River near its mouth the spillway floor of which will be 750 feet above sea level, and beginning at line of lands of David A. Thomas upstream, and extending down to line of Dix River Power Company, formerly Janet K. Shreve, being the same property conveyed to Dix River Power Company by T. C. Rankin, et. al., by deed dated June 28th, 1923, in Deed Book 42, page 511, in the office of the Clerk of Garrard County Court.

ITEM No. 73: All of the lands formerly owned by D. A. Thomas on Dix River which may be submerged by a dam constructed therein, the spillway floor of which will not be higher than 750 ft. above sea level, being the same property conveyed to Dix River Power Company by D. A. Thomas, et. al., by deed dated July 28, 1923, and recorded in Deed Book 42, page 526, in the office of the Clerk of Garrard County Court.

ITEM No. 74: Beginning on the North bank of Dix River, Boyle County, at a stone in George Beddow's line (now Reed Penman); thence South with Beddow's line across the river to a sugar tree in Ichabod Price's (now G. H. Jarvis) line in Garrard County; thence East with Price's line to a walnut stump in William Caldwell's line (now D. H. Thomas) hard iron tree; thence in a Northeast direction to an elm on the South bank of the river, corner to Floyd (now B. F. King); thence with Floyd's line across the river to a stake, corner to Cohen, thence with Cohen line to the beginning, being the same

property conveyed to Dix River Power Company by Ella Green Stone, a widow, et. al., by deed dated July 13, 1922, and recorded in Deed Book 41, page 638, in the office of the Clerk of Garrard County Court.

**Item No. 75:** All of the land formerly owned by Granville Jarvis on Dix River in Garrard County, which may be submerged by reason of the erection and maintenance of a dam in Dix River, the spillway floor of which will not be higher than 750 feet above sea level, and beginning at the line of the land formerly owned by Sallie F. Pence and sons, and running thence down Dix River to the line of the land formerly owned by Bettie W. Ely.

**Item No. 76:** All of the land formerly owned by Granville Jarvis on Dix River in Garrard County, which may be submerged by reason of the erection and maintenance of a dam in Dix River, the spillway floor of which will not be higher than 750 feet above sea level, and beginning at the line of the land formerly owned by Bettie W. Ely, and running thence down Dix River to the line of the land formerly owned by the estate of James A. Green, and also to the line of land formerly owned by D. A. Thomas.

Both of the above parcels of land are the same property conveyed to Kentucky Hydro Electric Company by deed from Granville Jarvis and wife, dated January 24, 1924, and recorded in Deed Book 43, page 209, in the office of the Clerk of the County Court of Garrard County, Kentucky.

**Item No. 77:** All of the lands formerly owned by Bettie W. Ely on Dix River which lie below a line 750 feet above sea level, and beginning at line of lands of G. H. Jarvis and extending down the River with its meanders to line of lands of G. H. Jarvis, being the same property conveyed to Dix River Power Company by Bettie W. Ely, et. al., by deed dated August 26, 1922, and recorded in Deed Book 42, page 27, in the office of the Clerk of Garrard County Court.

Provided, however, that there are excepted from this conveyance the easements, rights and interests in the tract of land which the Dix River Power Company has

conveyed to the Board of Council of the City of Danville, Kentucky, by appropriate deed, which rights, easements and interests are described in said deed in the following language, to-wit:

"The perpetual right to construct and maintain a waterworks pumping plant in Garrard County, Kentucky, on and near Dix River on a tract of land at or near the North or West end of the old or Dam No. 1 of the Danville waterworks system a short distance above the mouth of Clark's Run, which tract of land where said pumping plant is to be built is owned in part by Dix River Power Company and in part by Bettie W. Ely, said Ely owning that portion above a line 750 feet above sea level and said Power Company owning the portion below said sea level line.

"Also the perpetual right and easement to build and maintain, in connection with said pumping plant, all necessary intakes and suction pipes leading into said river, and all connections, fixtures, machinery, appurtenances and appliances necessary for the proper use and operation of said pumping plant; and the perpetual right to take and use from said River at all times such quantities of water as may be necessary for the operation and conduct of the waterworks business of the City of Danville.

"Also, the perpetual right and easement to construct and maintain all necessary pipes, pipe-lines and conduits for water leading from said pumping plant on, under and across lands of said Power Company and across Dix River from Garrard County to a point in Boyle County where said pipe-lines and pipes will connect with the present pipe-line system of the City of Danville, together with all necessary connections, fixtures, valves, machinery and appurtenances in connection with the proper use and enjoyment of said pipe-line and water-works system of said City; also, the right to construct and maintain on and over the land of said Power Company all necessary electric transmission lines, telephone and telegraph lines and roadways that may be incident or necessary to the proper use of this grant.

"This grant is made subject to the right of Dix River Power Company, its successors and assigns to impound water in Dix River up to a line 760 feet above sea level."

ITEM No. 78: All the lands formerly owned by A. M. Pence and others that lie below a line 750 feet above sea level on the waters of Dix River, and beginning at the line of J. A. Rice above the upper dam of the Danville waterworks and extending down the river, with its meanders, to the line of G. H. Jarvis, which is on the pool above the old dam of the Danville Waterworks, being the same property conveyed to Dix River Power Company by A. M. Pence, et. al., by deed dated May 9th, 1922, and recorded in Deed Book 41, page 588, in the office of the Clerk of Garrard County Court.

ITEM No. 79: All of the land formerly owned by John Andrew Rice on Dix River in Garrard County and Boyle County, Kentucky, which may be submerged by reason of the erection and maintenance of a dam in said river, the spillway floor of which will not be higher than 750 feet above sea level, and beginning up stream at the line of the land formerly owned by A. M. and W. H. Pence in Garrard County and at the line of the land formerly owned by Hugh Wayne in Boyle County, and running thence down stream to the line of the land formerly owned by Sallie F. Pence in Garrard County and to the line of the land formerly owned by Charles Doram in Boyle County, and being the same property conveyed to Kentucky Hydro Electric Company by deed from John Andrew Rice and wife, dated March 6, 1924, and recorded in Deed Book 43, page 261, in the office of the Clerk of the County Court of Garrard County, Kentucky.

ITEM No. 80: All of the lands below a line 750 feet above sea level which formerly belonged to Adam M. Pence and William H. Pence and are situate on the waters of Dix River, Boone and Clear Creeks in Garrard County, Kentucky, beginning at the line of J. B. Hughes on Dix River and extending down the said river to the line of the lands of J. A. Rice, being the same property conveyed to Dix River Power Company by Adam M. Pence, et. al., by deed dated May 9th, 1922, and recorded in Deed Book 41, page 590, in the office of the Clerk of Garrard County Court.

ITEM No. 81: All of the lands formerly owned by John B. Hughes on Dix River which lie below a line 750 feet above sea level, and running from the mouth of Boone's Creek down the river to line of lands of Pence brothers, and including both sides of Boone's Creek, and up same, being the same property conveyed to Dix River Power Company by J. B. Hughes, a bachelor, by deed dated August 7, 1922, and recorded in Deed Book 42, page 56, in the office of the Clerk of Garrard County Court.

ITEM No. 82: All of the lands formerly owned by T. B. Robinson, which lie below a line 750 feet above sea level on Dix River, and beginning at the line of the land of the Dix River Power Company, formerly James M. White, and extending down the said river to the line of the land sold by said Robinson to Jim Boner (Deed Book 32, page 429, in the office of the Clerk of the Garrard County Court). Said land being all the cliff land below the 750 foot sea level appurtenant and adjoining the lands of said Robinson which are derived from the deed of Eph. Leavell, Deed Book 29, page 368, in the office of the Clerk of the Garrard County Court, being a part of Tract Three of said conveyance, being the same property conveyed to Dix River Power Company by T. B. Robinson, et. al., by deed dated October 26, 1922, and recorded in Deed Book 42, page 97, in the office of the Clerk of Garrard County Court.

ITEM No. 83: All of the lands formerly owned by James M. and Addie White on Dix River which lie below a line 760 feet above sea level, and beginning at line of lands of Bright Herring at the iron bridge and Lancaster and Danville turnpike road, and running thence down Dix River to line of lands of T. B. Robinson, or originally part of the Sallie Herring dower tract, being the same property conveyed to Dix River Power Company by James M. White, et. al., by deed dated August 7, 1922, and recorded in Deed Book 42, page 7, in the office of the Clerk of Garrard County Court.

ITEM No. 84: All of the lands formerly owned by Georgia Dunn, lying on Herrington Lake or Rocky Fork Reservoir, which may be submerged by reason of the erection and maintenance of a dam in Dix River, the spill-

way floor of which will not be higher than 760 feet above sea level, which lands began upstream at line of lands of B. A. Dunn and Hamilton Estate on North Fork of said branch and run down said North Fork and down said branch to line of lands of Kentucky Hydro Electric Company, being same property conveyed to Kentucky Hydro Electric Company by deed from Georgia Dunn, dated November 16, 1927, and recorded in Deed Book 46 page 380 in the office of the clerk aforesaid.

**Item No. 85:** All of the lands formerly owned by W. H. Brown, lying on Dix River, which may be submerged by reason of the erection and maintenance of a dam in Dix River, the spillway floor of which will not be higher than 760 feet above sea level, which lands began upstream at line of lands of Fallis and Smith on Spillman Branch and run down same to Dix River and down Dix River to line of lands of John S. Ison, being same property conveyed to Kentucky Hydro Electric Company by deed from W. H. Brown and wife, dated November 22, 1927, and recorded in Deed Book 46, page 352, in the office aforesaid.

**Item No. 86:** All of the lands formerly owned by J. Harlan Smith, and S. K. Fallis, lying on Herrington Lake or Spillman Branch, which may be submerged by reason of the erection and maintenance of a dam in Dix River, the spillway floor of which will not be higher than 760 feet above sea level, which lands began upstream at line of lands of John R. Scott on Spillman Branch and extend to the line of lands of W. H. Brown, being same property conveyed to Kentucky Hydro Electric Company by deed from J. Harlan Smith and wife and S. K. Fallis, dated November 16, 1927, and recorded in Deed Book 46, page 379, in the office aforesaid.

**Item No. 87:** All of the lands formerly owned by Millie Ann Smith Jenkins, lying on Dix River, which may be submerged by reason of the erection and maintenance of a dam in Dix River, the spillway floor of which will not be higher than 760 feet above sea level, which lands began upstream at line of lands of John Murtry, and run down Dix River to line of lands of John R. Scott, being same property conveyed to Kentucky

Hydro Electric Company by deed from said Jenkins dated November 22, 1927, and recorded in Deed Book 46, page 374, in the office aforesaid.

**Item No. 88:** All of the lands formerly owned by Eugene Dismaux, lying on Dix River, which may be submerged by reason of the erection and maintenance of a dam in Dix River, the spillway floor of which will not be higher than 760 feet above sea level, which lands began upstream at line of lands of Lola Gash (formerly Dan Huff) and run down Dix River to line of lands of Abe McMurry, being same property conveyed to Kentucky Hydro Electric Company by deed from Eugene Dismaux and wife dated January 12, 1928, and recorded in Deed Book 46, page 422, in the office of the clerk aforesaid.

**Item No. 89:** All of the lands formerly owned by Abe McMurry, lying on Dix River, which may be submerged by reason of the erection and maintenance of a dam in Dix River, the spillway floor of which will not be higher than 760 feet above sea level, which lands began upstream at line of lands of Eugene Dismaux, and run down Dix River to line of lands of Millie Ann Jenkins, being same property conveyed to Kentucky Hydro Electric Company by deed from Abe McMurry and wife dated November 22, 1927, and recorded in Deed Book 46, page 353, in the office aforesaid.

**Item No. 90:** All of the lands formerly owned by A. M. Daughters, lying on Dix River, which may be submerged by reason of the erection and maintenance of a dam in Dix River, the spillway floor of which will not be higher than 760 feet above sea level, which lands began upstream at line of lands of H. T. and Sarah E. Smith and run down Dix River to line of lands of T. E. Dunn and Buena Vista Road, being same property conveyed to Kentucky Hydro Electric Company by deed from A. M. Daughters and wife, dated November 22, 1927, and recorded in Deed Book 46, page 351, in the office aforesaid.

**Item No. 91:** All of the lands formerly owned by Henry T. Smith, lying on Dix River, which may be sub-

ITEM No. 95: All of the lands formerly owned by C. W. Coulter, lying on Dix River, which may be submerged by reason of the erection and maintenance of a dam in Dix River, the spillway floor of which will not be higher than 760 feet above sea level, which lands begin upstream at line of lands of C. D. Dunn and run down Dix River to line of lands of John Noe, being same property conveyed to Kentucky Hydro Electric Company by deed from C. W. Coulter dated November 15, 1927, and recorded in Deed Book 46, page 362, in the office aforesaid.

ITEM No. 96: All of the lands formerly owned by Charley D. Dunn, lying on Herrington Lake or Dix River or Tan Yard Branch, which may be submerged by reason of the erection and maintenance of a dam in Dix River, the spillway floor of which will not be higher than 760 feet above sea level, which lands begin upstream at line of lands of Theodore L. Dunn on Tan Yard Branch and run down said branch and down Dix River to line of lands of Charles Coulter, being the same property conveyed to Kentucky Hydro Electric Company, by deed from Charley D. Dunn, dated October 31, 1927, and recorded in Deed Book 46, page 363, in the office aforesaid.

ITEM No. 97: All of the lands formerly owned by Theodore L. Dunn lying on Herrington Lake or Dix River and Holtzclaw Branch and Tan Yard Branch, which may be submerged by reason of the erection and maintenance of a dam in Dix River, the spillway floor of which will not be higher than 760 feet above sea level, which lands begin upstream at line of lands of Charles Coulter on Holtzclaw Branch and run down said Branch and Tan Yard Branch to line of lands of Charley D. Dunn, being same property conveyed to Kentucky Hydro Electric Company by deed from Theodore L. Dunn and wife dated October 31, 1927, and recorded in Deed Book 46, page 360, in the office aforesaid.

ITEM No. 98: All of the lands formerly owned by W. H. Swopes, lying on Herrington Lake or Dix River and Tan Yard Branch, which may be submerged by reason of the erection and maintenance of a dam in Dix River, the spillway floor of which will not be higher than 760 feet above sea level, which lands begin upstream at line

merged by reason of the erection and maintenance of a dam in Dix River, the spillway floor of which will not be higher than 760 feet above sea level, which lands begin upstream at line of lands of B. F. Sechrest estate and run down Dix River to line of land of A. M. Daughters, being same property conveyed to Kentucky Hydro Electric Company by deed from Henry T. Smith and wife, dated November 22, 1927, and recorded in Deed Book 46, page 354 in the office aforesaid.

ITEM No. 92: All of the lands formerly owned by B. F. Sechrest, lying on Dix River, which may be submerged by reason of the erection and maintenance of a dam in Dix River, the spillway floor of which will not be higher than 760 feet above sea level, which lands begin upstream at line of lands of D. M. Lay and run down Dix River to line of lands of Henry T. Smith, being same property conveyed to Kentucky Hydro Electric Company by deed from Matilda Sechrest and the other heirs of B. F. Sechrest, deceased, dated November 22, 1927, and recorded in Deed Book 46, page 355, in the office aforesaid.

ITEM No. 93: All of the lands formerly owned by D. M. Lay, lying on Dix River, which may be submerged by reason of the erection and maintenance of a dam in Dix River, the spillway floor of which will not be higher than 760 feet above sea level, which lands begin upstream at line of lands of John Noe, and run down Dix River to line of lands of Sechrest estate, being same property conveyed to Kentucky Hydro Electric Company by deed from D. M. Lay and wife dated October 31, 1927, and recorded in Deed Book 46, page 361, in the office aforesaid.

ITEM No. 94: All of the lands formerly owned by John Noe, lying on Dix River, which may be submerged by reason of the erection and maintenance of a dam in Dix River, the spillway floor of which will not be higher than 760 feet above sea level, which lands begin upstream at line of lands of Charles Coulter, and run down Dix River to line of lands of D. M. Lay, being same property conveyed to Kentucky Hydro Electric Company by deed from John Noe and wife dated October 31, 1927 and recorded in Deed Book 46, page 366, in the office aforesaid.

heirs of J. T. Pope, dated November 30, 1927, and recorded in Deed Book 46, page 365 in the office aforesaid.

**Item No. 102:** All of the lands formerly owned by G. V. Pence, lying on Dix River, which may be submerged by reason of the erection and maintenance of a dam in Dix River, the spillway floor of which will not be higher than 760 feet above sea level, which lands begin upstream at line of lands of W. L. Wood and John G. Lynn, and run down Dix River to line of lands of Pope estate, being same property conveyed to Kentucky Hydro Electric Company by deed from G. V. Pence and wife, dated November 16, 1927, and recorded in Deed Book 46, page 349, in the office aforesaid.

**Item No. 103:** All of the lands formerly owned by W. Logan Wood and John G. Lynn, lying on Dix River, which may be submerged by reason of the erection and maintenance of a dam in Dix River, the spillway floor of which will not be higher than 760 feet above sea level, which lands begin upstream at line of lands of I. M. Dunn, and run down Dix River to line of lands of G. V. Pence, being same property conveyed to Kentucky Hydro Electric Company, by deed from W. Logan Wood and wife and John G. Lynn and wife, dated March 18, 1927, and recorded in Deed Book 46, page 72 in the office aforesaid.

**Item No. 104:** All of the lands formerly owned by Robert L. Rose, lying on Dix River, which may be submerged by reason of the erection and maintenance of a dam in Dix River, the spillway floor of which will not be higher than 760 feet above sea level, which lands begin upstream at line of lands of Obe Garnett and run down Dix River to line of lands of Green Bowling, being same property conveyed to Kentucky Hydro Electric Company by deed from Robert L. Rose and wife dated February 28, 1928, and recorded in Deed Book 46, page 498 in the office aforesaid.

**Item No. 105:** All of the lands formerly owned by William Bronston lying on Dix River, which may be submerged by reason of the erection and maintenance of a dam in Dix River, the spillway floor of which will not

of said sea level elevation above defined in bed of Tan Yard Branch and run down said Tan Yard Branch on both sides in places) to line of lands of A. F. Saunders, being same property conveyed to Kentucky Hydro Electric Company by deed from W. H. Swopes and wife dated October 31, 1927, and recorded in Deed Book 46, page 358 in the office aforesaid.

**Item No. 99:** All of the lands formerly owned by W. T. Doolin, lying on Herrington Lake or Scotts Branch, which may be submerged by reason of the erection and maintenance of a dam in Dix River, the spillway floor of which will not be higher than 760 feet above sea level, which lands begin upstream on said Branch at line of lands of G. A. Bowling and run down said branch on each side thereof to line of lands of Ed. Taylor's estate and McKeechie's estate being same property conveyed to Kentucky Hydro Electric Company by deed from W. T. Doolin and wife dated December 21, 1927, and recorded in Deed Book 46, page 423, in the office aforesaid.

**Item No. 100:** All of the lands formerly owned by Frank N. Folger, lying on Dix River, which may be submerged by reason of the erection and maintenance of a dam in Dix River, the spillway floor of which will not be higher than 760 feet above sea level, which lands begin upstream at line of lands of Kentucky Hydro Electric Company and run down Dix River to line of lands of William McKeechie's estate, being same property conveyed to Kentucky Hydro Electric Company by deed from Frank N. Folger and wife, dated October 31, 1927, and recorded in Deed Book 46, page 359, in the office aforesaid.

**Item No. 101:** All of the lands formerly owned by J. T. Pope, lying on Dix River, which may be submerged by reason of the erection and maintenance of a dam in Dix River, the spillway floor of which will not be higher than 760 feet above sea level, which lands begin upstream at line of lands of G. V. Pence and run down Dix River to line of lands of Maxilene McWhorter and others, being same property conveyed to Kentucky Hydro Electric Company by deed from J. D. Pope and the other

be higher than 760 feet above sea level, which lands begin upstream at line of lands of C. K. Poindexter, and run down Dix River to line of lands of Ellen Dush's heirs, being same property conveyed to Kentucky Hydro Electric Company by deed from William Bronston and wife, dated March 3, 1928, and recorded in Deed Book 46, page 497 in the office aforesaid.

ITEM No. 106: All of the lands formerly owned by C. K. Poindexter, lying on Dix River, which may be submerged by reason of the erection and maintenance of a dam in Dix River, the spillway floor of which will not be higher than 760 feet above sea level, which lands begin upstream at line of lands of Ed Ready and run down Dix River to line of lands of William Bronston, being same property conveyed to Kentucky Hydro Electric Company by deed from C. K. Poindexter and wife dated February 29, 1928, and recorded in Deed Book 46, page 496 in the office aforesaid.

ITEM No. 107: All of the lands formerly owned by D. A. Thomas, lying on Dix River, which may be submerged by reason of the erection and maintenance of a dam in Dix River, the spillway floor of which will not be higher than 760 feet above sea level, which lands begin upstream at line of lands of G. H. Jarvis and run down Dix River to line of lands of J. A. Robinson, being same property conveyed to Kentucky Hydro Electric Company by deed from D. A. Thomas and wife, dated November 16, 1927 and recorded in Deed Book 46, page 357 in the office aforesaid.

ITEM No. 108: All of the lands formerly owned by T. B. Robinson, lying on Dix River, which may be submerged by reason of the erection and maintenance of a dam in Dix River, the spillway floor of which will not be higher than 760 feet above sea level, which lands begin upstream at line of lands of Lewis Mannum, formerly James M. White, and run down Dix River to line of lands of J. B. Hughes, and others, being same property conveyed to Kentucky Hydro Electric Company by deed from T. B. Robinson and wife, dated March 3, 1928, and recorded in Deed Book 46, page 495 in the office aforesaid.

ITEM No. 109: All of the lands formerly owned by Bright Herring lying on Dix River, which may be submerged by reason of the erection and maintenance of a dam in Dix River, the spillway floor of which will not be higher than 760 feet above sea level, which lands begin upstream at line of lands of said Herring at the sea level elevation above defined and run down Dix River to line of lands of L. T. Mannum at the Iron bridge, being same property conveyed to Kentucky Hydro Electric Company by deed from Bright Herring and wife dated November 16, 1927, and recorded in Deed Book 46, page 348.

ITEM No. 110: All of the lands formerly owned by G. A. Bowling, lying on Dix River, which may be submerged by reason of the erection and maintenance of a dam in Dix River the spillway floor of which will not be higher than 760 feet above sea level, which lands consist of two tracts, one beginning at line of lands of Robert L. Rose and running down Dix River to line of lands of I. M. Dunn, and the other tract beginning at line of lands of W. T. Doolin on Scott's Branch and extending upstream to the 760 foot sea level elevation, being same property conveyed to Kentucky Hydro Electric Company by deed from G. A. Bowling and wife dated March 29, 1928 and recorded in Deed Book 46 page 567 in the office aforesaid.

ITEM No. 111: All of the lands formerly owned by Obe Garnett, lying on Dix River which may be submerged by reason of the erection and maintenance of a dam in Dix River, the spillway floor of which will not be higher than 760 feet above sea level, which lands begin upstream at line of lands of Lee Pierce, and run down Dix River to line of lands of Robert L. Rose, being same property conveyed to Kentucky Hydro Electric Company by deed from Obe Garnett, dated March 24, 1928, and recorded in Deed Book 46, page 559, in the office aforesaid.

ITEM No. 112: All of the lands formerly owned by Lee Pierce, lying on Dix River, which may be submerged by reason of the erection and maintenance of a dam in Dix River, the spillway floor of which will not be higher than

760 feet above sea level, which lands begin upstream at line of lands of Mattie Garnett and run down Dix River to line of lands of Obe Garnett, being same property conveyed to Kentucky Hydro Electric Company by deed from Lee Pierce and wife, dated March 24, 1928, and recorded in Deed Book 46, page 566 in the office aforesaid.

ITAM No. 113: All of the lands formerly owned by Ed Ready, lying on Dix River, which may be submerged by reason of the erection and maintenance of a dam in Dix River, the spillway floor of which will not be higher than 760 feet above sea level, which lands begin upstream at line of lands of estate of Jeff Ready and run down Dix River to line of lands of C. K. Poindexter, being same property conveyed to Kentucky Hydro Electric Company by deed from Ed Ready and wife dated March 7, 1928, and recorded in Deed Book 46, page 544, in the office aforesaid.

ITAM No. 114: All of the lands formerly owned by Mattie Garnett lying on Dix River, which may be submerged by reason of the erection and maintenance of a dam in Dix River, the spillway floor of which will not be higher than 760 feet above sea level, which lands begin upstream at line of lands of Malcolm Kincaid and run down Dix River to line of lands of Lee Pierce, being same property conveyed to Kentucky Hydro Electric Company by deed from Mattie Garnett, dated March 24, 1928, and recorded in Deed Book 46, page 545 in the office aforesaid.

ITAM No. 115: All of the lands formerly owned by T. E. Muggerridge, lying on Herrington Lake or Tan Yard Branch, which may be submerged by reason of the erection and maintenance of a dam in Dix River, the spillway floor of which will not be higher than 760 feet above sea level, which lands begin upstream at line of lands of D. M. Lay or at the sea level elevation as above described and run down Tan Yard Branch to another Fork thereof and up that Fork to said sea level elevation, as above described, being same property conveyed to Kentucky Hydro Electric Company by deed from T. E. Muggerridge and wife dated March 19, 1928, and

recorded in Deed Book 46 page 565 in the office aforesaid.

ITAM No. 116: All of the lands formerly owned by Bettie W. Ely, lying on Dix River, which may be submerged by reason of the erection and maintenance of a dam in Dix River, the spillway floor of which will not be higher than 760 feet above sea level, which lands begin upstream at line of lands of G. H. Jarvis and run down Dix River to line of lands of G. H. Jarvis, being same property conveyed to Kentucky Hydro Electric Company by deed from Bettie W. Ely and heirs, dated December 10, 1927, and recorded in Deed Book 46 page 480 in the office aforesaid.

ITAM No. 117: All of the lands formerly owned by Sallie F. Pence, W. F. Pence and A. M. Pence, lying on Dix River, which may be submerged by reason of the erection and maintenance of a dam in Dix River, the spillway floor of which will not be higher than 760 feet above sea level, which lands begin upstream at line of lands of J. A. Rice and run down Dix River to line of lands of G. H. Jarvis, being same property conveyed to Kentucky Hydro Electric Company, by deed from said Sallie F., W. H. and A. M. Pence, dated November 25, 1927, and recorded in Deed Book 46, page 464, in the office aforesaid.

ITAM No. 118: All of the lands formerly owned by W. H. Pence and A. M. Pence, lying on Dix River, which may be submerged by reason of the erection and maintenance of a dam in Dix River, the spillway floor of which will not be higher than 760 feet above sea level, which lands begin upstream at line of lands of J. B. Hughes and run down Dix River to line of lands of J. A. Rice, being same property conveyed to Kentucky Hydro Electric Company, by deed from W. H. Pence and A. M. Pence dated November 26, 1927, and recorded in Deed Book 46 page 465 in the office aforesaid.

ITAM No. 119: All of the lands formerly owned by Dan Huff, lying on Dix River which may be submerged by reason of the erection and maintenance of a dam in Dix River, the spillway floor of which will not be higher than 760 feet above sea level, which lands begin

upstream at line of lands formerly owned by C. F. Kennedy and run down Dix River to line of lands of Abe McMurry or Eugene Diameaux, being the same property conveyed to Kentucky Hydro Electric Company by deed from Mary Huff and Lida Huff Gash and husband, dated March 5, 1928, and recorded in Deed Book 46, page 506, in the office aforesaid.

Item No. 120: All of the lands formerly owned by Jeff Ready, lying on Dix River, which may be submerged by reason of the erection and maintenance of a dam in Dix River, the spillway floor of which will not be higher than 760 feet above sea level, which lands begin upstream at line of lands of Aaron C. Smith and run down Dix River to line of lands of Ed Ready, being same property conveyed to Kentucky Hydro Electric Company by deed from Alice Ready and the other heirs of Jeff Ready, dated March 10, 1928, and recorded in Deed Book 46, page 574 in the office aforesaid.

Item No. 121: All of the lands formerly owned by George Simpson, lying on Dix River, which may be submerged by reason of the erection and maintenance of a dam in Dix River, the spillway floor of which will not be higher than 760 feet above sea level, which lands begin upstream at line of lands of George Graves' heirs and run down Dix River to line of lands of Lot Smith's heirs, being same property conveyed to Kentucky Hydro Electric Company by deed from George Simpson, dated April 11, 1928, and recorded in Deed Book 46, page 573, in the office aforesaid.

Item No. 122: All of the lands formerly owned by John S. Ison, lying on Herrington Lake, Dix River and Rocky Fork, which may be submerged by reason of the erection and maintenance of a dam in Dix River, the spillway floor of which will not be higher than 760 feet above sea level, which lands begin upstream at line of lands of W. H. Brown and run down Dix River to line of lands of Kentucky Hydro Electric Company at old mouth of Rocky Fork; thence up said Rocky Fork opposite lands of Georgia Dunn and Hamilton estate to the bed of the stream at a line where the water impounded by the aforesaid dam will reach its highest level, being the

same property conveyed to Kentucky Hydro Electric Company by deed from John S. Ison, dated December 30, 1927, and recorded in Deed Book 46, page 575, in the office aforesaid.

There is excepted from this conveyance an undivided one-fifth interest in a part of this particular tract, which undivided interest is now owned by Dora Bogle.

All of the real estate conveyed by the foregoing items numbered respectively 1, 2, 4, 6, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 22, 23, 24, 25, 26, 27, 28, 30, 31, 32, 35, 36, 38, 39, 40, 41, 42, 43, 44, 47, 48, 49, 50, 51, 52, 53, 63, 64, 65, 66, 67, 68, 69, 70, 72, 73, 74, 77, 78, 80, 81, 82 and 83 was conveyed to Kentucky Hydro Electric Company by deed from Dix River Power Company, dated January 9, 1924, and recorded in Deed Book 43, page 360, in the office aforesaid.

Item No. 123: All of the lands formerly owned by L. J. Mannini, lying on Dix River which may be submerged by reason of the erection and maintenance of a dam in Dix River, the spillway floor of which will not be higher than 760 feet above sea level, which lands begin upstream at line of lands of Bright Herrin at Iron Bridge and Lancaster and Danville Turnpike and run down Dix River to line of lands formerly owned by T. B. Robinson, being the same property conveyed to Kentucky Hydro Electric Company by deed from said Mannini, dated December 19, 1928, and recorded in Deed Book 47, page 218, in the office aforesaid.

Item No. 124: All of the lands formerly owned by Margaret White, lying on Dix River which may be submerged by reason of the erection and maintenance of a dam in Dix River, the spillway floor of which will not be higher than 760 feet above sea level, which lands begin upstream at line of lands of Wm. Dunn and run down Dix River to line of lands of Oscar Gaines' Heirs, being the same property conveyed to Kentucky Hydro Electric Company by deed from Margaret White and husband, dated May 8, 1928, and recorded in Deed Book 46, page 620, in the office aforesaid.

Item No. 125: All of the lands formerly owned by Silas Ready, lying on Dix River, which may be sub-

merged by reason of the erection and maintenance of a dam in Dix River; the spillway floor of which will not be higher than 760 feet above sea level, which lands begin upstream at line of lands of John C. Segar and run down Dix River to line of lands of Malcolm Kincaid, being the same property conveyed to Kentucky Hydro Electric Company by deed from Silas Beady and wife, dated May 5, 1928, and recorded in Deed Book 46, page 621, in the office aforesaid.

Item No. 126: All of the lands formerly owned by Malcolm Kincaid, lying on Dix River which may be submerged by reason of the erection and maintenance of a dam in Dix River, the spillway floor of which will not be higher than 760 feet above sea level, which lands begin upstream at line of lands of Sallie B. Beady and run down Dix River to line of lands of Ed and Jane Dunn, being the same property conveyed to Kentucky Hydro Electric Company by deed from said Kincaid and wife, dated May 5, 1928, and recorded in Deed Book 46, page 622, in the office aforesaid.

Item No. 127: All of the lands formerly owned by J. B. Hughes, lying on Dix River which may be submerged by reason of the erection and maintenance of a dam in Dix River, the spillway floor of which will not be higher than 760 feet above sea level, which lands begin upstream at line of lands of T. B. Robinson and run down Dix River to line of lands of Pence Brothers, including mouth of Boone's Creek, being the same property conveyed to Kentucky Hydro Electric Company by deed from said Hughes, dated May 14, 1928, and recorded in Deed Book 46, page 623, in the office aforesaid.

Item No. 128: All of the lands formerly owned by the heirs of Geo. Graves, lying on Dix River which may be submerged by reason of the erection and maintenance of a dam in Dix River, the spillway floor of which will not be higher than 760 feet above sea level, which lands begin upstream at line of lands of Oscar Gaines and run down Dix River to line of lands of Geo. Simpson, being the same property conveyed to Kentucky Hydro Electric Company by deed from Delilah J. Embury and others,

dated May 8, 1928, and recorded in Deed Book 46, page 624, in the office aforesaid.

Item No. 129: All of the lands formerly owned by J. A. Robinson, lying on Dix River which may be submerged by reason of the erection and maintenance of a dam in Dix River, the spillway floor of which will not be higher than 760 feet above sea level, which lands begin upstream at line of lands of D. A. Thomas and run down Dix River to line of lands of Janet K. Shreve or Lena Smith, being the property conveyed to Kentucky Hydro Electric Company by deed from said Robinson and wife, dated May 21, 1928, and recorded in Deed Book 46, page 625, in the office aforesaid.

Item No. 130: All of the lands formerly owned by the heirs of Isham Hamilton, Jr., lying on Herrington Lake or Rocky Fork, which lands begin upstream at line of 760 foot sea level elevation as above defined and run down Dix River to line of lands of Georgia Dunn, being the same property conveyed to Kentucky Hydro Electric Company by deed from Sarah Hamilton and others, dated August 27, 1928, and recorded in Deed Book 47, page 141, in the office aforesaid.

Item No. 131: All of the lands formerly owned by Thomas Alcorn, lying on Dix River which land may be submerged by reason of the erection, maintenance and operation of the hydro electric power plant, dam and spillway of Kentucky Hydro Electric Company situated in and on said River a short distance below the spillway used in connection with said hydro electric plant, which lands of said Alcorn are situated in Dix River and on the East bank thereof and begin at line of lands of J. C. Williams and run down Dix River to line of lands of Nettie Scott, being the same property conveyed to Kentucky Hydro Electric Company by deed from said Alcorn and wife, dated October 12, 1928, and recorded in Deed Book 47, page 149, in the office aforesaid.

Item No. 132: All of the lands formerly owned by J. C. Williams on the Dix River bottom and the cliff thereof which lie below the high water level on Dix River as heretofore established or that may hereafter occur from natural causes or by the operation of the electric

power plant of Kentucky Hydro Electric Company or by the over-flow of water through the spillway used in connection with said power plant, which lands begin upstream at a point below the property line between the lands of Kentucky Hydro Electric Company and one Mrs. Hill and run thence downstream passing the mouth of the spillway to the property line between the lands of J. C. Williams and Thomas Alicorn, being the same property conveyed to Kentucky Hydro Electric Company by deed from J. C. Williams, dated October 10, 1928, and recorded in Deed Book 47, page 145, in the office aforesaid.

Item No. 123: All of the lands formerly owned by Granville H. Jarvis, lying on Dix River which may be submerged by reason of the erection and maintenance of a dam in Dix River: the spillway floor of which will be higher than 760 feet above sea level, which lands begin upstream at line of lands of Sallie F. Pence and sons and run down Dix River to line of lands of Bettie W. Ely, and also begin upstream at line of Bettie W. Ely and run down Dix River to line of D. A. Thomas, being the same property conveyed to Kentucky Hydro Electric Company by deed from said Jarvis and wife, dated September 12, 1928, and recorded in Deed Book 47, page 132, in the office aforesaid.

Item No. 124: All of the lands formerly owned by John B. Scott, lying on Dix River which may be submerged by reason of the erection and maintenance of a dam in Dix River, the spillway floor of which will not be higher than 760 feet above sea level, which lands begin upstream at line of land of Millie Ann Smith, Jenkins and run down Dix River and on Spillman Branch to line of lands of W. H. Brown, being the same property conveyed to Kentucky Hydro Electric Company by deed from said Scott and wife, dated August 27, 1928, and recorded in Deed Book 47, page 102, in the office aforesaid.

Item No. 125: All of the lands formerly owned by A. F. Sanders, lying on Dix River and Tanyard and Scott's Branch which may be submerged by reason of the erection and maintenance of a dam in Dix River,

the spillway floor of which will not be higher than 760 feet above sea level, which lands begin upstream on Scott's Branch at line of lands of Ed Taylor's Heirs, and run thence down to Dix River and down Dix River to Tanyard Branch, thence up Tanyard Branch to line of land of W. H. Swope, being the same property conveyed by deed from said Sanders to Kentucky Hydro Electric Company, dated May 5, 1928, and recorded in Deed Book 47, page 52, in the office aforesaid.

Item No. 126: All of the lands formerly owned by the heirs of Edward Taylor, lying on Herrington Lake or Scott's Branch, which may be submerged by reason of the erection and maintenance of a dam in Dix River, the spillway floor of which will not be higher than 760 feet above sea level, which lands begin upstream at line of lands of W. T. Doolin and run down Scott's Branch to line of lands of Al Sanders, being the same property conveyed to Kentucky Hydro Electric Company by deed from Charlie Taylor and others, dated April 11, 1928, and recorded in Deed Book 47, page 54, in the office aforesaid.

Item No. 127: All of the lands formerly owned by the heirs of Lott Smith, lying on Dix River, which may be submerged by reason of the erection and maintenance of a dam in Dix River, the spillway floor of which will not be higher than 760 feet above sea level, which lands begin upstream at line of lands of Geo. Simpson, and run down Dix River to line of lands of Commodore Dunn's Heirs, being the same property conveyed to Kentucky Hydro Electric Company by deed from Francis Smith and others, dated May 8th, 1928, and recorded in Deed Book 47, page 2, in the office aforesaid.

Item No. 128: All of the lands formerly owned by the heirs of Aaron C. Smith, lying on Dix River which may be submerged by reason of the erection and maintenance of a dam in Dix River, the spillway floor of which will not be higher than 760 feet above sea level, which lands begin upstream at line of lands of Aaron H. Smith and run down Dix River to line of lands of the heirs of Jeff Ready, being the same property conveyed to Kentucky Hydro Electric Company by deed from Taylor

**Item No. 142:** All of the lands formerly owned by T. English Dunn, lying on Dix River just below Kennedy's Bridge, which will be submerged by the erection and maintenance of a dam in Dix River, the spillway floor of which will not be higher than 760 feet above sea level, which lands begin upstream at the right-of-way line of the Burgin and Buena Vista State Highway and bridge, and run downstream to what was the old Burgin and Buena Vista Turnpike Road, being a part of the same property conveyed to Kentucky Hydro Electric Company by deed from said Dunn, dated December 10, 1928, and recorded in Deed Book 47, page 238, in the office aforesaid.

**Item No. 143:** An easement, being the right to overflow and to impound water upon all of the lands formerly owned by T. English Dunn which may be submerged by reason of the erection and maintenance of a dam in Dix River, the spillway floor of which will not be higher than 760 feet above sea level, which lands are near the old Nicholasville and Darville Turnpike road, and begin upstream at the line of the lands of Lena Smith or Wallace, and run downstream to the same lands of Aaron H. Smith, being a part of the same property conveyed to Kentucky Hydro Electric Company by deed from T. English Dunn, dated December 10, 1928, and recorded in Deed Book 47, page 238, in the office aforesaid.

**Seventh:** A certain license granted by the Federal Power Commission to Kentucky Hydro Electric Company, dated August 19, 1926, covering the construction and operation of the hydro electric plant at Dam No. 7 in the Kentucky River.

**Eighth:** All and singular the property, real, personal and mixed, wherever situated, patents, franchises, rights, licenses, privileges and easements now owned by or belonging to or hereafter accruing to the said Grantor and not hereinabove mentioned, it being the intention of the Grantor that this deed shall convey, transfer and assign all the assets, property and rights of the Grantor (with the single every description wheresoever situated) granted by the exception of the preliminary permits granted by the

Lankford and others, dated May 10, 1928, and recorded in Deed Book 47, page 1, in the office aforesaid.

**Item No. 139:** All of the lands formerly owned by Aaron H. Smith and others, lying on Dix River which may be submerged by reason of the erection and maintenance of a dam in Dix River, the spillway floor of which will not be higher than 760 feet above sea level, which lands consist of two (2) tracts and begin upstream at line of old Darville and Lexington Turnpike, and run down Dix River to line of lands of T. E. Dunn; and also begin upstream at line of lands of T. E. Dunn, and run down Dix River to line of lands of the Heirs of Aaron C. Smith, being the same property conveyed to Kentucky Hydro Electric Company by deed from Aaron H. Smith and others, dated June 1, 1928, and recorded in Deed Book 46, page 638, in the office aforesaid.

**Item No. 140:** All of the lands formerly owned by Rebecca Hampton and others, lying on Dix River which may be submerged by reason of the erection and maintenance of a dam in Dix River, the spillway floor of which will not be higher than 760 feet above sea level, which lands begin upstream at line of lands of Maxine McWhorter, and run down Dix River to line of lands of Frank Folger, being the same property conveyed to Kentucky Hydro Electric Company by deed from Rebecca Hampton and others, dated May 19, 1928, and recorded in Deed Book 46, page 637, in the office aforesaid.

**Item No. 141:** An easement, being the right to use for impounding water from the lands formerly owned by I. M. Dunn which will be submerged by reason of the erection and maintenance of a dam in Dix River, the spillway floor of which will not be higher than 760 feet above sea level, which lands begin upstream at the line of lands of G. A. Bolling and run down Dix River to the lands of Wood and Lynn, a distance of about one (1) mile, being the same easement conveyed to Kentucky Hydro Electric Company by deed from said Dunn and wife, dated June 23, 1928, and recorded in Deed Book 47, page 23, in the office aforesaid.

held, and the written consent of the entire issued and outstanding voting stock of the Company.

This deed may be simultaneously executed in any number of counter-parts, and all said counter-parts executed and delivered each as an original shall constitute but one and the same instrument.

IN WITNESS WHEREOF, said Kentucky Hydro Electric Company has caused this instrument to be signed in its corporate name by its President, and to be counter-signed by its Assistant-Secretary and its corporate seal to be hereto affixed; said Kentucky Utilities Company has caused this instrument to be signed in its corporate name by its Vice-President and to be counter-signed by its Secretary and its corporate seal to be hereto affixed, all as of the day and year first above written.

By *L. B. Harrison*  
President.

COUNTER-SIGNED:  
*[Signature]*  
Assistant-Secretary.

KENTUCKY UTILITIES COMPANY,  
By *[Signature]*  
Vice-President.

COUNTER-SIGNED:  
*[Signature]*  
Secretary.

Federal Power Commission and referred to hereinafter), and that the enumeration or description herein of any specific property shall not limit or restrict the generality of this conveyance.

This conveyance does not include any preliminary permits heretofore granted to Kentucky Hydro Electric Company by the Federal Power Commission covering proposed hydro electric developments at Dams 1 to 6, inclusive, in the Kentucky River, such permits being, under the law, non-assignable.

As a part of the consideration for this conveyance, the party of the second part does hereby expressly assume and agree to perform all of the obligations imposed by the terms of the license dated August 19, 1926, granted by the Federal Power Commission to Kentucky Hydro Electric Company covering the construction and operation of the hydro electric plant at Dam No. 7 in the Kentucky River, and to perform and satisfy each and all of the liabilities and obligations imposed upon the party of the first part by any and all of the deeds of conveyance to it hereinabove specifically referred to, but the party of the first part herein does not reserve and it expressly disclaims any lien upon the property or easements herein conveyed to secure the performance of said obligations and liabilities by said party of the second part.

This conveyance is made subject to the reservations as to the use of the property herein conveyed as such reservations are contained in the several deeds of conveyance to Dix River Power Company and to the party of the first part hereinabove specifically referred to.

This deed is made by Kentucky Hydro Electric Company pursuant to the authority of a resolution duly passed by the Board of Directors and pursuant to the approval and consent of the holders of not less than three-fourths of the outstanding capital stock (both common and preferred) of the Company at a meeting of said stockholders duly called and

STATE OF KENTUCKY  
COUNTY OF JEFFERSON:

I, *Mary B. Saltzberg*, a Notary Public in and for the State and County aforesaid, do hereby certify that the foregoing deed was this day produced before me in said County by G. T. BOGARD and A. A. TURRILL, who are personally known to me to be the same persons whose names are subscribed to the foregoing instrument and who are personally known to me to be the Vice-President and Secretary, respectively, of KENTUCKY UTILITIES COMPANY, and was acknowledged and delivered by them as such Vice-President and such Secretary of said Company to be the act and deed of said KENTUCKY UTILITIES COMPANY.

Witness my hand and Notarial seal this *17th* day of *February*, 1929.

My commission will expire *January 31, 1932*  
*Mary B. Saltzberg*  
Notary Public, Jefferson County, Kentucky

STATE OF KENTUCKY  
COUNTY OF JEFFERSON:

I, *Mary B. Saltzberg*, a Notary Public in and for the State and County aforesaid, do hereby certify that the foregoing deed was this day produced before me in said County by L. B. HARRINGTON and B. K. YAWELL, who are personally known to me to be the same persons whose names are subscribed to the foregoing instrument and who are personally known to me to be the President and Assistant Secretary, respectively, of KENTUCKY HYDRO ELECTRIC COMPANY, and was acknowledged and delivered by them as such President and such Assistant Secretary of said Company to be the act and deed of said KENTUCKY HYDRO ELECTRIC COMPANY.

Witness my hand and Notarial seal this *11th* day of *February*, 1929.

My commission will expire *January 31, 1932*  
*Mary B. Saltzberg*  
Notary Public, Jefferson County, Kentucky

State of Kentucky,  
County of Mercer:

I, T.L.Menaugh, Clerk of the County Court for the State and County aforesaid, do hereby certify that the foregoing deed was this day lodged for record, whereupon the same, together with the foregoing and this certificate have been duly recorded in my office.

Given under my hand this <sup>11th</sup> 10th., day of February, 1929.

T.L. Menaugh Clerk.  
By T.L. Menaugh -*per*., D.C.